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Bosnian Peace Talks Continue in Geneva

Leaders Discuss Sarajevo

AU0508204193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 4 Aug 93

[Nada Al-Isa report from Geneva]

[Text] If the aggressor truly does withdraw from Mt. Igman and Mt. Bjelasnica, then the Geneva negotiations stand a chance. This was how Bosnia-Herzegovina delegation members first reacted upon hearing the news from Sarajevo, when it was announced after today's meeting between war criminal Radovan Karadzic and General Briquemont that the aggressor will withdraw from Mt. Bjelasnica and Mt. Igman and that UNPROFOR will be sent to these mountains. As is known, the aggressor was supposed to withdraw by 1700 [1500 GMT] today. The Bosnia-Herzegovina Presidency [words indistinct] to continue the talks. While they were waiting for the news from Sarajevo today, the Bosnia-Herzegovina delegation used the extra time to once again examine in talks with international mediators Lord Owen and Thorvald Stoltenberg in private [words indistinct] who are not in Geneva, the (?proposed) maps of Bosnia-Herzegovina and put forward its suggestions and proposals.

An explanation of the controversial Article 1 of the Agreement on the Union of Bosnia-Herzegovina Republics was demanded once again. Namely, does the article guarantee that the future union will be a state in the true meaning of the word and as such a UN member? Lord Owen and Stoltenberg assured that this was precisely the case. However, as the Bosnia-Herzegovina delegation expressed their doubts, Lord Owen said that he will draw attention to these [word indistinct] of the Bosnia-Herzegovina delegation in his report to [UN Secretary General] Butrus-Ghali.

In today's talks, the international mediators said that the Croatian and Serbian sides have already given their consent regarding the future Bosnian republic within the Union of Bosnia-Herzegovina Republics and that [words indistinct] has free zones in Rijeka and Ploce ports.

As part of the talks on the future unitarist constitution of Bosnia-Herzegovina, Sarajevo was also discussed today. The joint proposal of the Bosnian [words indistinct] delegation was proposed to Owen and Stoltenberg. This proposal, among other things, envisages that Sarajevo is and will remain the capital of Bosnia-Herzegovina. All state institutions will be based in Sarajevo. Sarajevo will be an open city for all citizens of Bosnia-Herzegovina. It will be a unique territorial unit with [words indistinct] and communication routes.

All three ethnic communities will have the same number of representatives in the municipal government, while the communal authorities will be formed in proportion to the ethnic structure of the population. For a limited amount of time, the town might be placed under UNPROFOR control. A special agreement will also be signed on the withdrawal (?of armies) from the town.

With this proposal for the town's status, Sarajevo can be saved from the aggressor's plot to divide the town on the basis of the ethnic principle. Lord Owen explained how this would look by saying:

Krajisnik says that he will not give up Rajlovac, in particular, since he has a house there. However, Krajisnik and company will have to forget about their houses and [word indistinct] of Sarajevo and Bosnia, especially after I received a letter of warning from the chairman of the UN Subcommission for Human Rights. In this letter it is conveyed, in the name of the UN Security Council, to Lord Owen and Thorvald Stoltenberg, as well as to the aggressor, that the UN Security Council will not recognize the forceful seizure of territories in Bosnia-Herzegovina. [Word indistinct] the division of Bosnia [words indistinct]. All [word indistinct] Geneva talks.

The letter to the cochairmen expresses concern over the suspicion that the draft agreement on the Union of Bosnia-Herzegovina Republics is not specific enough in its definition of the future union's statehood and its UN membership. In the circles of the Bosnia-Herzegovina delegation in Geneva, this was interpreted as a warning to Owen and Stoltenberg that they must not uphold the situation on the field—that is, they must not depart from the status quo and [word indistinct] territories in the Geneva talks.

The Bosnia-Herzegovina Government, or rather the Presidency, must not be exposed to pressures during the Geneva talks. The solution for Bosnia-Herzegovina must be in compliance with the UN Charter, is stated at the end of the letter to Lord Owen and Thorvald Stoltenberg by the chairman of the UN Subcommission for the Prevention of Discrimination of Ethnic Minorities.

The last news in this dispatch from Geneva is that a session of the Bosnia-Herzegovina Presidency is under way in the Palace of Nations at the time of reporting, at which further steps in the Geneva negotiations are being discussed.

Open Roads to Sarajevo

AU0508111893 Paris AFP in English 1018 GMT 5 Aug 93

[Text] Geneva, Aug 5 (AFP)—The Serb and Moslem authorities in Bosnia-Herzegovina have agreed to negotiate opening roads in and out of Sarajevo to all but military materials, a U.N. spokesman said here Thursday.

He said the proposal had been made by the co-chairmen of U.N.- sponsored peace talks on Bosnia.

The spokesmen said the proposal aimed at relieving the humanitarian situation in Sarajevo and "reversing the strangulation" of its people.

Serb forces this week seized control of government defensive positions on hills overlooking Sarajevo, effectively cutting off the Bosnian capital from the outside world.

The spokesman said the Serb and Moslem leaders had agreed to instruct their military commanders to negotiate opening the routes and to reach an agreement as soon as possible.

He said both sides had accepted that Sarajevo should be an open city as specified by U.N. Security Council resolutions.

Serbs To Withdraw From Mountains

AU0508140093 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 5 Aug 93

[Dragan Colovic report]

[Text] As I report, the meeting between the conference cochairmen Owen and Stoltenberg, and Alija Izetbegovic and the members of the Presidency of the former Bosnia-Herzegovina, has still not ended here in the Palace of Nations. We have not come here to negotiate, but only to discuss certain issues regarding the maps, said Alija Izetbegovic briefly before he entered the Palace of Nations. Judging by this, Alija Izetbegovic has still not decided whether to unblock the negotiations, which have been deadlocked for five days running.

Nikola Koljevic, vice president of the republic of Srpska, told Yugoslav journalists in Geneva that the political and military leadership of the Srpska republic had reached an agreement with the commander of the UN peace forces in Bosnia-Herzegovina, French General Briquemont. They have agreed that the Serbian forces would withdraw from Mt. Bjelasnica and Mt. Igman tomorrow, 6 August, to the positions they formerly held, while the UN peace forces would take charge of these important strategic points. It will not be possible to use them for military purposes.

Nikola Koljevic also added that the Serbian side had accepted the initiative of cochairmen Owen and Stoltenberg for a complete lifting of the Sarajevo blockade. A mixed group has been formed which will oversee the regular supply of the city with water, electricity, and gas. The Serbian side offered to open the roads toward Zenica and Konjic. This will be carried out prior to the adoption of an integral peace solution. These moves of the Srpska republic leadership eliminate the grounds for accusations against the Serbs, and for NATO threats of a limited military intervention against Serbian positions and targets.

The conference cochairmen's spokesman John Mills announced here that the Serbian and Muslim side had agreed to have the roads to and from the city opened for transportation of everything except military goods with the goal of improving the humanitarian situation and lifting the Sarajevo blockade. However, the Presidency of the former Bosnia-Herzegovina—as has been confirmed by John Mills—expressly said that the agreement on opening roadways would not influence their negotiating position in Geneva, which means that the Muslim side is still counting on a boycott and conditioning for the unblocking of the Geneva negotiations, which—as I have already said—have been deadlocked for five days.

The tripartite negotiations should resume tomorrow in the Palace of Nations. Whether this happens, depends on just how ready the Muslim leader Alija Izetbegovic is to really negotiate at this moment. We will soon know his decision.

B-H Delegation 'Suspicious' of Plan

AU0508143693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 Aug 93

[Nada al-Isa report from Geneva]

[Text] News from Bosnia-Herzegovina is still expected in Geneva on whether the aggressor is going to pull back from Mt. Bjelasnica by 1700 [1500 GMT], as the Bosnia-Herzegovina Presidency has demanded. In the meantime the Bosnia-Herzegovina delegation has been meeting with the international cochairmen, Lord Owen and Thorvald Stoltenberg. The agreement on the Union of the Republics of Bosnia-Herzegovina is being discussed at the meeting, which is also being attended by President Izetbegovic. The agenda also includes the maps of the future internal organization of the Union of the Republics. This is what we have managed to discover so far.

The Bosnia-Herzegovina delegation has asked for further explanations regarding the controversial Point 1 of the agreement on the Union, that is, whether it really guarantees the state and legal continuity of the state and its membership of the United Nations, as Lord Owen and Stoltenberg have persistently claimed. The Bosnia-Herzegovina delegation is suspicious about that. Lord Owen and Stoltenberg have promised to send their report to [UN Secretary General] Butrus Butrus-Ghali and the Security Council, and inform them about the suspicions of the Bosnia-Herzegovina delegation concerning the disputed point.

Owen and Stoltenberg propose in their document that each future republic of the union freely chooses its own name. The (?envisaged) Bosnian republic, and we have found out that all three sides agree in principle, will have a free zone in the [Croatian] ports of Ploce and Rijeka. In return, Croatia has been promised free passage from Slavonia to southern Dalmatia. The talks also concern the delineation of the three future republics of the Union of Bosnia-Herzegovina. In principle, all three sides in Geneva have agreed that a special commission for the control of the safety of the main roads in Bosnia-Herzegovina should be formed. Representatives of all three nations will be on this commission, together with representatives of UNPROFOR.

We have also found out some more details concerning the Geneva talks so far. It has been accepted in principle that a human rights court and an institution of court attorneys should be formed in Bosnia-Herzegovina. However, all this, particularly the last bit, will be relevant only when the war is over. Whether it is war or peace will depend largely on the maps of Bosnia-Herzegovina. As I speak, maps are also on the agenda at the Geneva talks. The members of the Bosnia-Herzegovina Presidency are discussing them with Owen and Stoltenberg.

In the meantime, as I have said, news from Bosnia-Herzegovina is expected in Geneva on the withdrawal of the aggressor's army. Without that it will be impossible to resume the peace talks.

This is Nada al-Isa reporting from Geneva for Radio Television Bosnia-Herzegovina.

Talks Suspended Until 9 Aug

AU0508184693 Paris AFP in English 1833 GMT 5 Aug 93

[Text] Geneva, Aug 5 (AFP)—The Bosnian peace talks have been suspended until Monday, United Nations spokesman John Mills said here Thursday.

Bosnian Moslem President Alija Izetbegovic said that no progress had been made in efforts to reach agreement on how Bosnia should be split into a union of three republics—Moslem, Serb and Croat.

Mills said Bosnian Serb leader Radovan Karadzic, Bosnian Croat leader Mate Boban and the Bosnian presidency headed by Izetbegovic had been invited to resume the negotiations here on Monday.

He was speaking after eight hours of talks between the collegial Bosnian presidency and the co-chairmen of the peace talks, David Owen and Thorvald Stoltenberg.

The peace talks have been blocked since last Monday because of a boycott by Izetbegovic to protest a Serbian assault on Moslem defensive positions on hills around Sarajevo.

Mills said all parties to the talks had been under great pressure for the last 10 days and needed a breathing space.

Izetbegovic Ready To Return

AU0608131193 Paris AFP in English 1146 GMT 6 Aug 93

[By Graham Brown]

[Excerpts] Geneva, Aug 6 (AFP)—The Bosnian Serb military agreed Friday on the mechanics of withdrawing its troops from strategic heights over Sarajevo, United Nations officials announced here.

The officials added that Bosnian President Alija Izetbegovic had signalled his intention to end his boycott of the peace talks which are to resume on Monday after a three-day suspension. But Bosnian sources close to the presidency said continuation of the talks could still depend on whether the Serb forces had completed their withdrawal by Monday.

And the co-chairmen of the peace talks, David Owen and Thorvald Stoltenberg, expressed their strong opposition to any unilateral NATO air strikes on Serb positions.

One of the co-chairmen, Thorvald Stoltenberg, said the Bosnian Serb military leader, General Ratko Mladic, had agreed on details of the troop withdrawal with U.N. General Francis Briquemont, and that French U.N. forces were poised to replace the Serbs on Mounts Igman and Bjelasnica as soon as local commanders had dealt with the practicalities.

The withdrawal was negotiated on Thursday by Bosnian Serb leader Radovan Karadzic. [passage omitted]

David Owen, European Community envoy and co-chairman of the talks, said he expected Izetbegovic, Karadzic and Bosnian Croat leader Mate Boban, to resume negotiations late Monday. However he said the resumption could depend on developments over the weekend, and warned against the dangers of air strikes on Serb forces. He said any changes in policies on outside military intervention in Bosnia should be made "openly" by the U.N. Security Council. [passage omitted]

NATO is to hold a special council meeting in Brussels next Monday to flesh out a decision in principle last Monday to prepare for air strikes.

Owen said that the Bosnian peace talks had made progress over the last 10 days despite the boycott by Izetbegovic this week. He highlighted agreement on the ethnic division of Bosnia into a union of three republics—Moslem, Serb and Croat—according to which the Moslems would be given no less than 30 percent of the territory. He said there had also been progress at the peace talks on giving the proposed landlocked Moslem republic access to the sea.

But Owen said the collegial Bosnian presidency led by Izetbegovic was still undecided on its stand over details of the partition, particularly in central Bosnia. The biggest problem in the way of a peace settlement was the ethnic division of Sarajevo itself. "We are not in sight of an agreement," Owen said.

He added that the West would have to provide military back-up to enforce an eventual settlement for at least two years. "That is the price to pay for not intervening militarily on the ground over the last two years," he said. [passage omitted]

Mladic Reportedly Replaced by General Milovanovic

AU0508113493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 5 Aug 93

[Nada al-Isa report from Geneva]

[Text] [words indistinct] with Lord Owen and Thorvald Stoltenberg. President Izetbegovic of the Bosnia-Herzegovina Presidency is also attending the talks. However, these are only consultative talks while waiting for the aggressor to pull back from Mt. Bjelasnica by 1700 [1500 GMT] and stop the aggression against Bosnia-Herzegovina. That, as we have already reported, is the condition for the continuation of the talks.

While we wait for more news here, let me tell you what else happened since our last report. The Bosnia-Herzegovina Presidency members [word indistinct] held talks with U.S. peace mediator in Geneva Reginald Bartholomew. The American reiterated to the correspondents that NATO and the United States have not given up their intention to bomb the Serb positions if the siege of Sarajevo continues, and the aggression on Bosnia-Herzegovina. [words indistinct] and nothing happened.

News has circulated in Geneva that the criminal general, war criminal Ratko Mladic has been replaced. Let us only add unofficially that he has been replaced by General Milovanovic. Will this help the continuation of the talks? The main question is whether the criminal Mladic is the only one guilty of the crimes, or maybe it makes no difference who heads the criminal army—Mladic or Milovanovic. [words indistinct] the Bosnia-Herzegovina delegation [words indistinct] Slobodan Milosevic [passage indistinct]. However, Lord Owen said that he can stay in Geneva only until this weekend. After that the lord is going off on holiday. (?Miro Lasic), member of the Bosnia-Herzegovina Presidency and delegation, said to that: Why does he not have it in Sarajevo? [word indistinct] to the mountains [words indistinct]

Karadzic on Possible NATO Air Strikes

LD0408133493 London ITV Television Network in English 1800 GMT 3 Aug 93

[Interview with Radovan Karadzic, president of the republic of Srpska, by announcer Zeinab Badawi on 3 August; Karadzic in Geneva, Badawi in London studio; from the "Channel 4 News" newscast—recorded]

[Text] [Badawi] Earlier I spoke to the Bosnian Serb leader, Dr. Radovan Karadzic, who is in Geneva for the peace talks. I asked him whether he was really taking NATO's threat of air strikes seriously.

[Karadzic] Yes, I take it very seriously, although I don't understand why Serbian sides should be under threats while the main fights are going on between Muslims and Croats, while the most offensive side in this conflict is the Muslims side.

[Badawi] The reason is because, as the United States has said, it wishes to lift the strangulation of Sarajevo, which is being implemented at the moment by your side—the Bosnian Serbs.

[Karadzic] Then who would protect Serbian suburbs that happen to be around Sarajevo. We do not keep siege of Sarajevo. We keep part of [the] very center of Sarajevo because we need to protect Serbian suburbs and [the] Serbian part of city. Sarajevo is a Serbian city, too.

[Badawi] But there's extreme suffering of the Bosnian Muslim residents of Sarajevo.

[Karadzic] Yes, but this suffering is caused by Muslim leadership because they are using this suffering to gain international sympathies and get the international military intervention.

[Badawi] You say you are taking the threat of NATO air strikes seriously. You could do something very simply to prevent that threat being implemented which is to stop the strangulation of Sarajevo.

[Karadzic] Well, we have to protect Serbian suburbs around Sarajevo, but any convoy, not only humanitarian but economic, also can get mostly through our lines, and beside that we do offer to open the city joint checkpoints and Sarajevo would be relieved very, very soon.

[Badawi] Will you hand over control of the strategic areas you occupy around Sarajevo, like Mount Igman, to the UN troops.

[Karadzic] Yes, I would be happy to do that because mountains are full of Muslim artillery shelling Serbian Sarajevo every day.

[Badawi] If NATO and the UN go ahead and carry out their air strikes on Bosnian Serb positions, would you consider UN troops as a legitimate target?

[Karadzic] Well, I would never order any offense of UN troops, but let me tell you I for sure would lose my unified command and control and that would be a chaos and none of foreigners would be safe and secure in (?former) Bosnia-Herzegovina.

[Badawi] Including UN troops?

[Karadzic] Unfortunately any foreigner could be conceived as an enemy because the people who are attacked would defend themselves by all means.

[Badawi] As you know the current Geneva peace negotiations have stalled, do you think that the peace talks are dead?

[Karadzic] Well, I don't think so, but I will tell you those threats did not help the talks. Muslims got the hopes for military intervention and then they walked out of the conference. The threats are not good, all of sides to the conference should be treated equally and we could stop fighting within a week.

[Badawi] In you view have we reached make or break time? I mean NATO has decided that it will carry out air strikes against Bosnian Serbs. Do you sense that the conflict has moved into a new dimension?

[Karadzic] Yes, I think so unfortunately, if there would be any attack from the air then nobody can predict what would happen. I would suggest [the] United Nations and NATO to help us to find political solution the sooner the better. Because any air strike would be an escalation of the war and unpredicted outcome.

Owen, Stoltenberg Oppose NATO Air Strikes

AU0608094793 Paris AFP in English 0920 GMT 6 Aug 93

[Text] Geneva, Aug 6 (AFP) - The co-chairmen of the Bosnia peace talks expressed strong opposition here Friday to any unilateral NATO air strikes on Serb forces in Bosnia-Herzegovina.

The European Community's envoy to the talks, David Owen, said any changes in policies on outside military intervention in Bosnia should be made openly and honestly by the U.N. Security Council.

He said: "If NATO was to go ahead without the support of the U.N., never again would NATO be asked in to support a U.N. operation."

Owen was speaking at a press conference after the announcement of a three-day suspension of the peace talks until Monday.

His co-chairman at the talks, U.N. envoy Thorvald Stoltenberg, said that, while the United Nations had never excluded military action in Bosnia, "it is quite obvious the decision must be taken by the U.N. Secretary-General."

Stoltenberg added: "The message for all of us is that there can be no short-term, low-risk solution to this war."

The two men were reacting to growing pressure for air strikes on Serb forces in Bosnia.

The North Atlantic Treaty Organisation (NATO) is to hold a special council meeting in Brussels next Monday to flesh out a decision in principle last Monday to prepare for air strikes.

The United States has indicated that it wants NATO to be largely in charge of the operations, but the alliance is divided over how much authority the United nations should have over the operation.

OIC Calls For NATO Air Strikes

AU0508170893 Paris AFP in English 1644 GMT 5 Aug 93

[Excerpts] Geneva, Aug 5 (AFP)—Peace talks on Bosnia-Herzegovina hung in the balance here Thursday despite a Serbian decision to withdraw troops from hills overlooking Sarajevo.

A UN spokesman said the co-chairmen of the talks, David Owen and Thorvald Stoltenberg, would decide later Thursday whether it was worthwhile resuming the negotiations on Friday.

Diplomats were optimistic that Bosnian Moslem President Alija Izetbegovic would return to the talks following a Serbian decision to withdraw troops from hills overlooking Sarajevo.

But a source close to the talks warned: "Having him there is not enough. There has got to be something positive to discuss."

Izetbegovic has boycotted the negotiations since Monday in protest at the assaults by Serbian troops on Moslem defence positions on hills overlooking Sarajevo.

As a result, Serb and Croat leaders quit the talks on Wednesday.

But Radovan Karadzic, leader of the Bosnian Serbs, and Mate Boban, leader of the Croat community, said they would be back on Friday if Izetbegovic returned to the three-way talks. [passage omitted]

In Geneva, Owen and Stoltenberg had five hours of bilateral talks with a Bosnian Government delegation led by Izetbegovic. [passage omitted]

Also Thursday, the Organisation of the Islamic Conference (OIC) grouping 51 countries called here for rapid implementation of NATO proposals for air strikes on Serb forces in Bosnia.

OIC chairman Pakistani Foreign Minister Abdul Sattar said air strikes seemed the only way to end the genocide of Bosnian Moslems.

He led a five-man OIC delegation which had earlier pleaded the case of air strikes against the Serbs in meetings with the foreign ministers of France and Britain on Tuesday and Wednesday. [passage omitted]

"We feel very deeply that the leadership of Bosnia is being offered a horrible choice between murder and suicide," Sattar said.

Turkish Foreign Minister Hikmet Cetin, a member of the delegation, warned: "If Europe cannot find a solution to the human tragedy (in Bosnia), other countries will do it."

Ministry Statement Rejecting Yugoslav Protest

AU0508202193 Tirana Radio Tirana Network in Albanian 1730 GMT 5 Aug 93

[Statement issued by the Albanian Foreign Ministry in Tirana; date not given—read by announcer]

[Text] The Yugoslav Foreign Ministry on 4 August handed the Albanian Embassy in Belgrade protest note No. 184/1193, in which it accuses Albanian border guards of firing on Yugoslav territory and border patrols on 18, 24, and 27 July. The note openly states that four observers—armed EC monitors who were observing the border between Albania and the former Yugoslavia—are supposed to have been witnesses to this incident.

The Albanian Foreign Ministry feels the need to draw the attention of the public and the Yugoslav side to the following:

Evidence and reports prepared by the Public Order Ministry's Border Police Directorate and by local border authorities indicate that there were no border incidents at all in the common border areas mentioned in Belgrade's note on 18, 24, and 27 July. This accurate and confirmed data indicates that no Albanian border guards or civilian nationals opened fire at all on Yugoslav territory or on border patrols.

Angrily refuting the concoctions of the note in question, the Albanian Foreign Ministry reminds the Yugoslav side that it is actually they who have systematically provoked serious incidents on the border with Albania, where a considerable number of Albanian citizens have been killed and dozens of others wounded.

Data from the Albanian Public Order Ministry and Defense Ministry indicates that Serbian border guards killed 14 Albanian nationals along various sections of the state border between the two countries in the first four months of 1993 alone. Such premeditated and unjustified murders were committed on 2 February, 2 March, 21 March, and 25 April. One day saw eight citizens of the Republic of Albania killed in cold blood and for no serious reason.

Concerning all the cases in question, the Albanian Foreign Ministry has issued protest notes expressing its deep indignation over these premeditated acts by Belgrade's warmongering circles and its serious concern over such grave incidents which aim at further aggravating the situation in the region. These clear aims cannot be disguised by Belgrade's ridiculous maneuvers to play the role of victim and provoker, in quotation marks, before the international public so as to divert its attention from what is currently happening in Bosnia-Herzegovina, Kosovo, and elsewhere.

The international community, which is attentively following events in the Balkans, cannot fail to clearly see that the policy of perpetual terror, murder, attacks, and maltreatment that Serbian occupying forces and Belgrade's political authorities are allowing in Kosovo are simultaneously associated with border incidents against Albania. In every way they seek to create a pretext to have an armed conflict erupt and are, thus, playing with the patience of Albanians.

Albania makes peaceful efforts to prevent every incident and eliminate every means of aggravating the political or military situation on the state border between the two countries. The EC border commission has time and again testified to the correctness of the actions, in conformity with international norms and rules, of Albania's border units. The presence of this commission in Albania is most significant. In no case has the mission determined that incidents on the border with the former Yugoslavia have been provoked by the Albanian side. We are convinced that the commission will have its impartial say about Belgrade's latest falsehoods.

Condemning again with disgust such perfidious methods followed by Belgrade's government, the Albanian Foreign Ministry restates the well-known stance of its government: Every border incident or disagreement should be discussed and solved by joint border commissions and the competent authorities to avoid any unpleasant events that result in people being killed, such as the many cases of Albanian citizens killed by Serbian border guards.

The Albanian Government is showing exemplary patience in trying to quash every conflict that threatens to lead the crisis in our region to the edge of a pan-Balkan war. It does not favor confrontation but understanding and peaceful solutions to conflicts and crises, particularly in the present tragedy in former Yugoslavia, with its efforts to make its own contribution.

Zhulali Briefs UN General on Macedonia Policy

AU0508204093 Tirana ATA in English 1838 GMT 5 Aug 93

[Text] Tirana, August 5 (ATA)—A delegation of UN blue helmets deployed in the former Yugoslav Republic of Macedonia, led by General Thomson, visited Albania on August 4. Major-General Agim Baruti, deputy chief of the Albanian Army headquarters, welcomed the delegation at the airport.

General Thomson and his assistants met with the Albanian Minister of Defence Safet Zhulali. Also attending was General-Lieutenant Ilia Vasho.

Mr. Zhulali appreciated the role of UN peace keeping mission in Macedonia and stressed that Albania is interested in establishing security, peace, and stability in the region and in developing good relations with the neighbouring states. To achieve this, we devote attention to the development of bilateral relations with the former Yugoslav Republic of Macedonia and have tried to develop mutual relations and cooperation between Albania and Macedonia. But while we were looking forward to the progress of these relations, a grave incident happened in the border area. Two Albanian military were shot: one senior military authority died and another was gravely injured. The European Community monitors who observed the incident on the spot declared that it was done intentionally and on no legal grounds. The Albanian Government was disturbed over such a grave incident in the border area. It sent a protest to the Macedonian party demanding from it to punish the perpetrators. But unfortunately we received no response.

Further Mr. Zhulali said that obviously certain pro-Serb forces are interested in the destabilization of the situation in the region and they strive to disturb Albania's relations with the neighbouring states intending at stretching the conflict to the south.

Mr. Zhulali confirmed that Albania pursues a peaceful policy and is for stability and good relations with the neighbouring states. It is for the solution of the problems through dialogue. We are for free communication and allround cooperation with Macedonia, the military area included. This is to the benefit of the two countries. Mr. Zhulali also confirmed support for the U.S. initiative to launch military intervention in Bosnia and to break through Sarajevo's siege.

General Thomson stressed that the goal of the UN mission in Macedonia is to monitor and prevent conflicts. Further he declared that he gives priority to the border area of Kosova with Serbia. He said that the deployment of the U.S. troops under his command is a signal for the Serbs not to spillover the conflict to the south. Further he said he expressed his regret over the incident in the border area and expressed condolences to the family of the victim. Also he said that he was ready to make inquiries into the case and expressed his desire to establish direct contacts between the Albanian military authorities and his command in order to observe every border incident.

They both agreed on the current situation in Kosova and expressed their regret over Serbia's decision to withdraw CSCE observers. Further they condemned Serb terror and stressed that the international community should pay more attention to find out a political solution of Kosova issue in the context of the problems facing former Yugoslavia. "Kosova is the key to the stability in the south of the Balkans and it is the most essential problem that needs to be solved," declared General Thomson. In case conflict breaks out in Kosova, it will stretch to the former Yugoslav Republic of Macedonia and broader, Mr. Thomson said. Therefore as UN preventive mission, we will do our best to support you and contribute to the establishment of peace and stability in the area.

Also attending the meeting was the representative of the Republic of Albania in the former Yugoslav Republic of Macedonia, Mr. Leonidha Mertiri.

Berisha Offers Use of Territory

AU0508202993 Tirana ATA in English 1827 GMT 5 Aug 93

[Text] Tirana, August 5 (ATA)—Albania is interested in preventing conflicts in the border areas, and to achieve this it has decided to develop close cooperation with international monitors, in order to maintain peace in these areas, President Berisha declared at the meeting with the Danish General Thomson, UN forces commander in Macedonia. I agree on establishing direct relations between the UN forces and Albanian military structures in order to develop mutual cooperation and to encourage the activity of these troops to maintain tranquillity in the Balkans. Further President Berisha added that these forces may use the Albanian territory to fulfill their needs for supplies, transportation, and other services.

General Thomson thanked President Berisha for expressing readiness to cooperate with UNPROFOR. He said that he was greatly impressed by Albanian hospitality.

Defendants To Stand Trial for Illegal Rallies

AU0508171093 Tirana Radio Tirana Network in Albanian 1330 GMT 5 Aug 93

[Text] The spokesman of the Tirana District Prosecutor's Office declared to ATA that on 4 August 32 defendants were sent to the Tirana District Court to stand trial for violating Article 6 of the Law on Gatherings and Manifestations. Of them, five were placed under arrest.

On this occasion, the Prosecutor's Office calls on all citizens to dissociate themselves from participating in illegal rallies. The spokesman declared that the district prosecutor's office will maintain a strict stance toward all citizens who violate this law.

Rally Held in Tropoje To Protest Nano's Arrest

AU0508165693 Tirana Radio Tirana Network in Albanian 1330 GMT 5 Aug 93

[Ilir Bucpapaj report from Tropoje]

[Text] At 1000 [0800 GMT] today the Socialist Party [PSSh] Presidency of the Tropoje district organized a rally to protest the imprisonment of Socialist Party Chairman Fatos Nano, as well as the measures that the government is taking at this time. Party members and sympathizers attended the rally.

Bajram Demeci, chairman of the PSSh Leading Committee for Tropoje, made the opening speech. With [words indistinct] the slogans—Release Fatos Nano, Down With Revanchism, We Want Bread, etc. From this meeting, an appeal was sent to the president of the republic.

It should be noted that there were no clashes or confrontations, despite demonstrations held by former political prisoners and persecutees, kulaks, and the rally organized by the PSSh for the Tropoje district. However, public order authorities had taken complete measures to see that these rallies proceeded as normal.

Ministry Accuses Socialists of Stirring Discord

AU0608132093 Tirana ATA in English 1006 GMT 6 Aug 93

[Text] Tirana, August 6 (ATA)—The Ministry of Public Order reports that extreme leftist forces have recently launched destabilizing, antidemocratic and anti-constitutional actions which have resulted in disturbing Albania's domestic tranquillity.

The hysterical anti-constitutional appeals of the socialist leaders in rallies openly oppose democracy, the rule of law, and issues of Albanian national interest. The Ministry of Public Order calls on the people, the political groups, and other associations, and individuals to dissociate themselves from these destructive forces. The forces of public order have been instructed to implement without hesitation the decree no.7404 dated, July 31, 1990 covering illegal gatherings and manifestations.

Press, TV Dispute Facts of Call for Illegal Rally

AU0608132193 Tirana ATA in English 1018 GMT 6 Aug 93

[Text] Tirana, August 6 (ATA)—A heated discussion has begun between the newspapers ZERI I POPULLIT and KOHA JONE, on the one hand, and the radio television, on the other, regarding the question of whether the leaders of the Socialist Party called for an illegal rally in the center of Tirana or not. The two papers deny that such an appeal was made, accusing the television reporter of "misinformation" and "slander".

For its part, the radio television station declares that it has tapes recorded by its reporters during the rally of the Socialist Party on July 30 which make it clear that Socialist deputy, Kastriot Islami, did in fact, call for an illegal march on Scanderbeg Square. The radio television station has broadcast these tapes and states that other reporters from different newspapers have made similiar recordings.

Official Denies Involvement in NATO Plans

AU0608131893 Sofia BTA in English 0848 GMT 6 Aug 93

[From BTA press review]

[Text] Sofia, August 6 (BTA)—"Bulgaria is not getting ready to provide airfields for the expected NATO air strike on the Serbian positions in Bosnia. Bulgaria will not supply materiel, either, even though the possible military operation will be launched only on the express approval of the UN Security Council," Lieutenant General Mikho Mikhov, commander of the Bulgarian Air Force and Air Defence, told the trade union daily TRUD yesterday. "We have received no order to provide airfields and technical means for a possible UN and NATO air operation in ex-Yugoslavia," General Mikhov told the newspaper. In his view, if the situation changes and tensions in the former Yugoslavia tend to mount, the requirements to the reconnaissance and the combat readiness of the Bulgarian Air Force should be enhanced.

Berov Talks to Press About Land Restitution

AU0308202893 Sofia BTA in English 1925 GMT 3 Aug 93

["Today"—BTA lead]

[Excerpts] Sofia, August 3 (BTA)—"Land restitution is a tangible process," Prime Minister Lyuben Berov said, meeting the press today. "We would like it to go on faster, but it runs into objective difficulties, say, disputes between villages over commons, which the law courts take very long time to settle," Prof. Berov said. He believes that confrontation in countryside will be gradually overcome. Most villages now have two cooperatives: a "Red" and a "Blue" one (the colours of the Bulgarian Socialist Party BSP and the Union of Democratic Forces SDS). "People realize that somebody must till the land and start looking for compromises," the prime minister went on to say. [passage omitted]

The Health Ministry has decided to restructure emergency medical aid in Bulgaria on the basis of a development and financing from Operation PHARE [Economic and Reconstruction Aid for Poland and Hungary Program], BTA learnt from the ministry's spokesman.

Health Minister Tancho Gugalov met with protesting gynaecologists and cleared up the opportunities to meet their demands. The most important grievance concerns the consideration of the health insurance bill by the government before the end of this month. The spokesman said that the system for valuation of the health reform is expected to be approved in September.

The eleventh meeting of the Bulgarian-Romanian coordinating commission on the environmental problems in the Silistra-Calarasi area, scheduled for today in Calarasi, Romania, has been postponed, the BTA Silistra correspondent reported. According to the chief municipal environmental protection expert, Engineer Rumen Burnev, the commission will probably meet in the second half of September, after the scheduled meeting of the two countries' environment ministers.

The effective purchase prices of tobacco deliberately subject the ethnic Turk tobacco growers to economic genocide, members of the district leadership of the ethnic Turks' Movement for Rights and Freedoms (DPS) told a news conference in Kurdzhali (southern Bulgaria), which was also attended by DPS MP's. The movement's parliamentary faction was handed a declaration on behalf of the DPS district leadership in Kurdzhali, urging a revision of tobacco prices before the start of the purchasing campaign. Otherwise, the leadership will demand the dismissal of the five DPS MP's representing the Kurdzhali constituency.

A possible frustration of the extraordinary parliamentary sitting, requested by Prime Minister Lyuben Berov for the passage of the amended version of the Turnover Tax and Excise Duty Act, will not cause a cabinet crisis, the deputy chairman of the extraparliamentary Green Party Lyubomir Ivanov told a news conference here today.

By dismissing Emil Khursev as vice governor of the National Bank of Bulgaria on July 30, the National Assembly proved its inability to make appropriate decisions, said Khristina Spasova and Khristo Genev, leaders of the Christian Democratic Union (which recently left the Union of Democratic Forces), speaking at a news briefing. The parliament's resolution was a flagrant violation of the Banks and Lending Act, they claimed. According to Mr. Genev, Mr. Khursev was undesirable to certain political forces which seek to privatize the over 1,000 million dollars of assets for their own uses.

Two Bulgarian ships carrying over 9,500 tonnes of goods were checked by representatives of the Western European Union, the customs service and the Sanctions Assistance Mission on August 2 at Vidin (on the Danube) and were now cleared to sail upstream towards the Serbian section of the river.

At 1530 hours [1230 GMT] today, the "Petur Beron" ship, which was detained yesterday, sailed upstream. The ship was detained by the UN Sanctions Committee because it presented duplicates of the clearance papers. The ship was allowed to proceed and received confirmation of the validity of the documents on one of the barges, loaded with paving blocks, with a destination in Germany. The other barge, carrying carbamide waste, was left at anchor near the port of Vidin, said the chief of the State Shipping Inspectorate in Vidin Vladimir Zubarev.

In an address to Prime Minister Lyuben Berov, the mayor of Vidin insists on the appointment of a commission of inquiry to find an investor for the construction of a bridge over the River Danube between the Bulgarian town and Calafat, Romania, the BTA local correspondent reported. According to an agreement between the

Bulgaria and the Romanian Transport Ministries, Bulgaria had until July 30 to suggest a financial group to invest in the project. The Romanians warned the mayor of Vidin that it will start action to break out of the passive negotiations stage, the report says. [passage omitted]

The Vuzrazhdane Bulgarian Union of Private Entrepreneurs unveiled its own mass privatization project at a news conference here today. The union's president Rumen Byandov said the project, envisaging the handing out of privatization coupons, retains the fundamental ideas underlying the government versions but emphasizes market conditions and managerial elements.

Public transport in Bulgaria's second largest city, Plovdiv, was again paralyzed today over the latest in a series of scandals at the urban transport company. Private companies alone were running services on a limited number of routes. Just 20 days ago, the representatives of the Podkrepa Labour Confederation were persuaded by government envoy Dimitur Bongalov that the new manager of the municipal company Rangel Geshev had been legitimately appointed. The local Podkrepa leader Atanas Krustev then declared that he acknowledges the legitimacy of the new manager. It was specified that the municipal councillors' decision to re-register the company under the Commercial Code was valid even before its publication in the "Official Gazette" [DURZHAVEN VESTNIK]. The local Podkrepa leaders said, however, that they only recognized the legitimacy of the previous director Petur Papachev. Until the company's reregistration notice appears in the "Official Gazette," the new manager has been driven out of his office and the old director has been accommodated in his place. [passage omitted]

Berov Views Cabinet Work, Privatization

AU0608063093 Sofia 24 CHASA in Bulgarian 29 Jul 93 pp 12-13

[Interview with Prime Minister and Council of Ministers Chairman Lyuben Berov by Venelina Gocheva; place and date not given: "Lyuben Berov: The State Maintains Our Parties Again"]

[Text] [Gocheva] Mr. Berov, how many more no-confidence votes will your cabinet survive?

[Berov] Apparently, this week will survive the third such vote. I suppose there will be more such votes in September, October, and November because this is a tactic aimed at disrupting parliament's work.

[Gocheva] What does your team gain from all this?

[Berov] First of all, let us look at the results. You know that we received more support at the second voting than at the first. Thus, there are no destabilizing results for the government. The parliamentary faction that proposes those votes says: "We want to understand who is supporting the government," as if they did not know who supports us.

The votes, however, disturb our work because we are wasting precious time that could be used to enact laws needed by the government.

[Gocheva] The Union of Democratic Forces [SDS] certainly knows that this week's vote will also not topple Berov. However, do you think that you made a mistake by increasing the street merchants' taxes and that the SDS used that as a reason to propose another no-confidence vote?

[Berov] If this state is to function and even pay the salaries of its deputies, then it must have a certain income. This income must come from somewhere. No one likes to pay taxes in our country. Lawyers refuse to pay taxes. The newspaper vendors say: "We should not pay taxes or at least pay very low taxes." Ask a businessman to pay taxes and he will say: "Not this year. I had my expenses, bought an expensive car, and I will not pay." Well, in this case, why not close the state and end the problem?

[Gocheva] In other words, you think that this was the right decision, despite the fact that it hurts a large majority of Bulgarians who make their living from street trade?

[Berov] I think it was a correct decision.

[Gocheva] Are you going to punish the official who proposed high streetwalk taxes? What was his name by the way?

[Berov] No official has ever proposed anything like that to the Council of Ministers. Besides, you know that we amended a part of the newspaper vendors' taxes.

[Gocheva] Yes, but they continue to depend on the whims of city councillors who decide what taxes the newspaper vendors should pay.

[Berov] This is a problem that depends on the municipalities' income. On the one hand, a political group urges the mayors with dark blue orientation [SDS] to protest and claim that the state does not give them money, and on the other hand, the same political group protests against increased taxes that aim to increase the amount of money given to municipalities. Well, where should we take this money from?

[Gocheva] Mr. Berov, is it true that no one in parliament supports your cabinet, but that everyone wants to command you?

[Berov] I am not a child, and no one should demand obedience from me. What I am trying to do is in the name of national interest and is aimed at uniting people who sometimes have different views.

[Gocheva] Do you tend to accept the recent accusation that the Bulgarian Socialist Party [BSP] is trying to dictate its views to you?

[Berov] Sometimes we discuss whether certain things are of national interest or not. We occasionally have different views on this matter. This includes, for example, the proposed value-added tax. Should we have a single rate or different ones? I would say those are technical discussions.

[Gocheva] The tripartite commission will probably discuss the privatization draft bill today. What is it finally called—the "Berov-Karabashev" version?

[Berov] Why does it have to have a name? As far as I know, only the United States and England name their laws after the person who proposed them. We do not have such a practice. Some try to impose the "Panev" law. Others came up with an "anti-Panev" version.

[Gocheva] How big was the compromise between the two versions?

[Berov] We did not have any discrepancies with Mr. Karabashev. Those were simply two different variants of how to implement mass privatization, and I did so that the two were united in a joint version. In this version, every citizen can choose which one of the two he would like to support. I even gave a quantitative advantage to Karabashev's variant. The ratio is 3:5.

[Gocheva] And Mr. Karabashev agrees?

[Berov] Yes, I see no problem.

[Gocheva] Mr. Bozhkov, the chief of the Privatization Agency, claims that the new version combines the weaknesses of the two variants.

[Berov] Well, that is his opinion. Someone else may say something else. Mr. Bozhkov is negatively disposed toward the draft because it restricts the rights and obligations of the Privatization Agency. If we worked according to the traditional means of privatization—through the sale of enterprises—the agency would have more work.

[Gocheva] Was the agency not created to implement privatization?

[Berov] Yes, it was supposed to facilitate privatization. I do not think that only the agency is responsible for the fact that thus far privatization, effected through the traditional methods of sales, has proceeded slowly. There are objective reasons which hinder the process. Perhaps, the agency has not always been engaged in the appropriate activities, or has been engaged in activities that were not always in the right direction....

[Gocheva] Then who will conduct the mass privatization?

[Berov] Well, no one will conduct it. For example, if you wanted to get married, would you need someone to lead you to a man?

[Gocheva] You mean that the state will not establish a special body for this purpose?

[Berov] No, there will be no such body. There probably will be an body that will inform people about the financial potentials of enterprises.

[Gocheva] What body will that be?

[Berov] We shall see. Perhaps the Ministry of Finance, which has a press bureau.

[Gocheva] You say that mass privatization should begin with the sale of 500 enterprises, while the special privatization funds should be managed by eight banks. Who will select the enterprises and the banks?

[Berov] No banks will be involved, because a process of consolidating the banks has begun. There are certain unclear factors related to the banks, such as what their duties are and who manages them. Thus, the banks will not participate in the privatization of those 500 enterprises. I have talked to [National Bank Chairman] Mr. Velchev and [National Bank Deputy Chairman] Mr. Khursev, and we have reached a common view, namely, that by Friday [30 July] they will present a project on banking services to privatization.

[Gocheva] Will the Bulgarians not only help to clear the bad debts by making the down payment of 1,500 leva as a prepaid interest on the voucher?

[Berov] No. Aleksandur Tomov proposed a general scheme on settling bad debts incurred by the end of 1990. This scheme could be combined with the mass privatization project.

[Gocheva] Do you really think that Bulgarians will actually participate in the privatization with vouchers of 30,000 leva?

[Berov] It is true that that 30,000 leva is nothing, despite the fact that this year the inflation is slower than in 1992. Therefore we will try to help the people to unite their efforts in this respect. If, say, 1,000 people have one share each in a major enterprise, they could really influence the activity of that enterprise.

[Gocheva] Why are you selling defunct enterprises of the machine building, electronics, and chemical industries?

[Berov] Look, this list of 500 enterprises combines both profitable and unprofitable enterprises, because they have all been created by the people's efforts.

[Gocheva] However, you must agree that we cannot expect the Bulgarians to race to purchase unprofitable enterprises.

[Berov] Our project envisages a mechanism according to which every citizen could select the enterprise to which he would like to direct his privatization document. The people alone have the right to decide. If 1 million Bulgarians would like to participate in the privatization of a single enterprise that has 100 million leva of capital, then for their voucher of 30,000 leva they will receive a share the value of which will not be 30,000 leva, but only 100 leva.

Thus, we will provide information that will help the people to orient themselves and will give them the chance to participate in a second round of directing the candidacies, something that will be done by the banks.

[Gocheva] In other words, you will begin mass privatization, but you cannot guarantee that the enterprise that will be sold will be profitable.

[Berov] Such enterprises will be included in the 10 funds proposed by Minister Karabashev. Each fund will represent a group of approximately 30 enterprises. One will not become a shareholder in a group of enterprises rather than a single enterprise. The risk will then be divided. If one wants to take the risk of a single enterprise, then he may do so.

[Gocheva] Why does Bulgaria then not begin with small privatization?

[Berov] It is not true that we did not begin with small privatization; it is still continuing. Small privatization is to a large extent a problem of the municipalities....

[Gocheva] Yes, I expected you to say that....

[Berov] ...However, the municipalities do not sell property. They prefer to lease it and, thus, have a lasting source of income for decades. Otherwise, if they sell the enterprises now and receive money for them, then they will have to either immediately invest this money or use it. In this case, where will they find money next year?

[Gocheva] Yes, but small privatization was slowed down. How many state barber shops, stores, and workshops became private?

[Berov] It is true that small privatization was slowed down, but every municipality is led by a mayor elected by the people and by councillors, also elected by the people.

[Gocheva] Are you saying that the people are responsible?

[Berov] Let them elect another municipal council that would conduct a different policy. Ludzhev, for example, proposes municipal elections in March, after which perhaps other people will lead the municipalities.

[Gocheva] Does the government not wash its hands by shifting small privatization to the ministries and municipalities?

[Berov] Well, there is no way of compelling a municipality to sell its property. Parliament could eventually do something in this respect. Thus, this is not a problem of the government.

[Gocheva] The Czech Republic was able to privatize 30,000 small enterprises within a year. It is interesting how much time we need to do the exact same thing.

[Berov] They sold predominantly small enterprises but within the framework of mass privatization.

[Gocheva] They, however, did not begin with major unprofitable enterprises but with stores and service shops.

[Berov] Let me tell you that this small privatization is a means of smoothing over many conflicts. I do not want to say how many accusations of taking and giving bribes were involved. This is one of the reasons that delays things. If there are many contradictions and lawsuits, then a process cannot progress rapidly. The diversity of the interests of many people is the second reason. Since the whole thing is a small-time game, one cannot always say who made a mistake and who is right. Sometimes the one who knows the things at the bottom better, one who knows profitable stores at a good location, could win. There were many cases where such stores were literally given away for almost nothing.

[Gocheva] However, it is possible to use open auctions, something that is not being done.

[Berov] Let me tell you that the open auction concept has many gaps. Despite the nice name, one could always arrange an auction so that only you and I could participate in it. There could be 10 other candidates, but there always is someone who will tell them: "You will do this and that or you will not go beyond this price." The auction is an illusion.

[Gocheva] Do you think that you did the right thing by beginning with the sale of bankrupt or unfinished enterprises? I am referring to enterprises such as "Magnetic Tape Heads" in Razlog and "Corn Products" in Razgrad.

[Berov] It is difficult to assess how objective your evaluation is. I do not mean those specific enterprises. In addition to assessing the company, it also is difficult to evaluate how much money you will give to the one who assesses the company. A bribe could be given in a legalized manner. The assessor could receive his bribe in the form of an official remuneration. For example, I do not know how much was paid for "Corn Products." A six or seven-digit figure was mentioned to me.

[Gocheva] A six-digit figure for assessors?

[Berov] Such an amount is paid not only for assessing the enterprise but also for finding a person prepared to purchase it. This is a commission. I cannot say whether this is much or not or who received the amount in the final analysis because I could give you a certain amount of money and then you could divide it up among 10 people. In this case, very little would be left for you. Life sometimes could be very interesting.

[Gocheva] Mr. Berov, do you know what happened to the confiscated property of the totalitarian parties?

[Berov] If you are asking me whether we have sins in this respect as a government, then I will answer that we have as many sins as the previous cabinet. It is true that the law envisaged that the revenue from that property would be used for social purposes. Until now, this has not been done. In any case, an admitted sin is half a sin.

[Gocheva] Then why do you not sell this property?

[Berov] There is pressure on the part of state departments, parties, public organizations, and foundations. They all want premises. The buildings we have at our disposal have been distributed to various institutions who had to evacuate their premises because of the restitution or other reasons.

[Gocheva] In other words, you do think that the party property could ever be sold?

[Berov] I presently see no such chance. Take, for example, the Party House [the former headquarters of the Bulgarian Communist Party], which is near your premises. You know that parliament requested this building for the needs of the deputies.

[Gocheva] How much was the Party House assessed at?

[Berov] Let us not guess the amount. You know that some people assess every square meter in Sofia's center to at least 10,000 leva.

[Gocheva] In other words, everyone participates in their own party games and nothing can be sold.

[Berov] Yes, but do you not agree that one has to find premises for all those political parties, state institutions, and foundations that always say: "Look, we implement a role that is beneficial to all of society." Take, for example, the St. Kiril and Metodiy Foundation. Does it not implement a useful role?

[Gocheva] What beneficial work does the "Sapio" Foundation perform?

[Berov] As far as I know, "Sapio" does not exist anymore. It completed its task with the help of God and the people and obtained certain privileges, but it no longer exists.

[Gocheva] Does the state have the right to sell the foundation's property?

[Berov] As far as I know, the foundation has been liquidated. One could sell its goods for 10-20 million leva, while the damage it caused is assessed at hundreds of millions.

[Gocheva] Am I to understand that you cannot sell the property of the "Sofis" trade union launderette?

[Berov] There is an agreement according to which the trade union building should be divided between the Confederation of Independent Trade Unions in Bulgaria and the Podkrepa Labor Confederation, while leaving a certain part for other candidates.

[Gocheva] You do not know what happened to the property of "Sapio" and "Sofis?"

[Berov] Yes, it is true that I presently do not have a clear idea. Various managers have been appointed and reappointed in "Sofis." Now we await a code of regulations for the managements of state property. It was delayed; it will probably be submitted to the tripartite commission next week, and by the end of August to the Council of Ministers.

[Gocheva] Am I to understand that there is nothing you could change, for example, in "Sapio?"

[Berov] No way. Certain people, however, have the moral, if not the criminal, responsibility for giving that company illegal preferences. I do not want to mention names because they are well-enough known.

[Gocheva] You mean [former Finance Minister] Ivan Kostov?

[Berov] ....

[Gocheva] In other words, our state still maintains the parties and the trade unions?

[Berov] Unfortunately, so far the parties have not paid any rent for the use of state buildings. Everything begins with their claim that they have the right to own such premises. They quarrel with [Territorial Development and Housing] Minister Totev and the commission that was established to distribute state buildings. However, no one pays rent. We, however, adopted certain normative acts about rental payments and sent additional letters.

[Gocheva] Will any Bulgarian Government be able to make the politicians pay?

[Berov] It is difficult to say. The smaller parties do pay. The big ones say: "We will see." Occasionally, they even use state buildings and do not pay for the electricity, telephone, or water. The Agrarians at No. 1 Vrabcha Street leased a part of their premises to private companies. We try to avoid scandals so that we are not accused of being led by political considerations in our actions.

[Gocheva] Mr. Berov, are we too strict in observing the embargo, because neither the West nor the United States are prepared to help us as an award for our exemplary behavior?

[Berov] We are not against the embargo, but it must be understood that every punitive measure against Serbia also affects us to the same extent. We are telling the foreign diplomats that they are killing us along with Serbia. However, they pat us on the back and say: "Bravo, you are fine fellows!" We cannot openly say that "we will not implement the embargo." This would mean assuming a political responsibility that we cannot afford at this time. We must simply let the time pass and try some partial breakthroughs. It is possible that they will at least let us sail along the Danube. It is possible to control our barges by electronic means without having someone actually on them.

[Gocheva] How many states responded to your note in which you demanded a corridor through Serbia?

[Berov] The United States responded negatively. However, [U.S. Ambassador] Hill told me with a smile that eventually they would not object if we sent a convoy for a test sail along the Danube. They also hinted that we could do this with a convoy of trucks through Serbian territory. In the same manner, I could tell you to "go and rob Sofia's Central Department Store." If they catch you, then naturally I will deny that I sent you, and will say that I was only kidding.

[Gocheva] How do you view the announcement that the EC observers in Bulgaria engage in spying?

[Berov] I think that everyone in Bulgaria should know his place, regardless of whether he is an official observer. They have no right to engage in activities that do not correspond to their mission.

[Gocheva] Mr. Berov, do you think we dramatize the negotiations with the bank creditors too much?

[Berov] Yes, this is so. Some people desperately try to win political dividends through this issue. If we would have accepted the banks' proposal, which is unfavorable for Bulgaria, we would have been criticized and there would have been a vote of no-confidence again. Perhaps, we would have been accused of national treason. Now that we do not accept the banks' proposal because it does not correspond to Bulgaria's real possibilities to pay, there are still people who are not satisfied.

We cannot agree to this proposal, when we want 50 percent of our debts quashed, while they only agree to 8 percent. There is also a large difference in the amount that we would have to pay as interest every year. I simply do not see how we could settle this problem through negotiations. One must simply understand the old proverb, according to which it is better to divide something rather than use everything. The something that we could divide is what Bulgaria could really pay and reach an agreement on that basis. If someone agrees to this, then let him say so. We are waiting. Otherwise we will do what Poland did—namely, interrupt the negotiations for one year after its proposal to quash 50 percent of its debt was not accepted.

[Gocheva] In other words, we will wait for the creditors to accept our demand?

[Berov] We are waiting for their goodwill. However, we did make a step toward their demand on how much Bulgaria is able to pay. We attended the London Club negotiations with several additional tens of millions of dollars. Now our payment balance is being analyzed. This is done by us, the World Bank, and the IMF.

[Gocheva] Do we overestimate our association with the EC?

[Berov] Yes, this is so. Apparently, the people have great illusions about anything related to our membership in the EC. As if by joining the EC, only the EC countries will lower their custom taxes, while we will not lower ours.

[Gocheva] Are our future Euro-partners afraid of us?

[Berov] To a certain extent, because the wages are very low in our country. This creates conditions for maintaining low prices for our products. Otherwise, we are capable people and can produce products that correspond to the European standard. Take, for example, our metallurgy, which causes concern in Spain, France, and Italy. They are ready to restrict our exports in this sphere with quotas. It is also an illusion to think that someone will allow us to freely export our agricultural products. Will France not be bothered by the export of our wines?

The road toward the EC must be covered with sweat, blood, and products of high quality and suitable prices. Do not think that Bulgaria will sell its products for exorbitant prices tomorrow. There are states that produce much cheeper products than Bulgaria, and we must take this into consideration.

[Gocheva] Could the Berov government adopt any decisions, since the Supreme Court can revoke them?

[Berov] This a war that we have with the Supreme Court. I think that every conflict, at least in this country, could be resolved somehow.

[Gocheva] How?

[Berov] In a family, there are always ways of resolving conflicts. The first manner is through a calm conversation, in which the people understand who is right and who is not. I have not had a conversation yet with the chairman of the Supreme Court, and I do not think there will be such a meeting. The other manner of resolving such a conflict is by blows. In such a case, it is the wife who usually loses.

[Gocheva] Are you the wife in this family war with [Supreme Court Chairman] Ivan Grigorov?

[Berov] I do not have such inclinations. The third variant, if no agreement can be reached within the family, involves a divorce.

[Gochev] A divorce between the government and the Supreme Court?

[Berov] Let us leave this to the future. In a divorce, someone walks out. I will be happy if I am the one who walks away.

Zhelev Allegedly Criticizes Berov on Land Reform

AU0508130293 Sofia STANDART NEWS in Bulgarian 29 Jul 93 p 1

[Text] According to sources close to the Presidency, Dr. Zhelyu Zhelev held a meeting in the early afternoon of 28 July with Prime Minister Lyuben Berov and Agriculture Minister Georgi Tanev. The discussion, during which sharp words are said to have been exchanged, concerned the increasingly frequent changes in the memberships of the liquidation councils, of which the Presidency is fully informed. According to Dr. Zhelev, these actions are aimed against the actual restitution of farmland to its former owners. The president reportedly accused Berov of yielding to pressure from certain circles in the BSP [Bulgarian Socialist Party].

I have information on changes made in the memberships of about 150 liquidation councils, National Assembly Deputy Khristo Ivanov announced on 28 July. He has proposed an amendment to the Land Act regarding the liquidation councils. He added that up to a week ago, only 39 liquidation councils had undergone changes of memberships. Most of the changes have been made in contravention of the legal procedure that specifies that the oblast agricultural services must provide reasons for any proposed changes. The changes have been made by Minister Tanev, who acted illegally in so doing. BSP deputies are submitting their proposals on changes directly to the agriculture minister. It is alarming, Ivanov said, that the proposals recommend the appointment of former chairmen of agro-industrial complexes and labor collective farms and members of oblast BSP committees. Ivanov declared that the NSD [New Alliance for Democracy] and the DPS [Rights and Freedoms Movement] will seek a meeting with the prime minister to discuss these matters and will demand a moratorium on changes in liquidation councils.

At the meeting on 28 July the president reportedly stated that he will make an adress to the nation next week if these illegal changes are not revoked. This faced Berov with the choice either of supporting the land reform which, as is well-known, is one of Dr. Zhelev's priorities, or lose the president's confidence.

BSP Leader Assesses Visit to Syria, Lebanon

AU0508143193 Sofia VECHERNI NOVINI in Bulgarian 28-29 Jul 93 p 3

[Interview with Zhan Videnov, chairman of Supreme Council of the Bulgarian Socialist Party, BSP, by VECHERNI NOVINI journalist Marta Sharlandzhieva; place and date not given: "BSP Enjoys Great Authority in the Arab World"]

[Text] Immediately following his arrival home from Syria and Lebanon, the chairman of the Supreme Council of the BSP [Bulgarian Socialist Party] made the following statement:

"Our visit to Syria was very successful. We had meetings with all the leaders of the ruling Ba'th Party and the National Progressive Front. We met with the prime minister and vice president, and had a personal meeting with President Hafiz al-Asad. This was the first such visit from an Eastern European country to Syria during the last three or four years. It coincided with a period of great political activity in Damascus and with visits by high level delegations from many countries in connection with the problems of this crisis region. Despite this, the Syrian leaders and mass media paid great attention to our visit. We signed a protocol on cooperation with the ruling Ba'th Party for 1993 and 1994."

[Sharlandzhieva] Can it be considered that your visit was of importance not only for party relations, but also for the development of mutual relations between the two countries?

[Videnov] Yes, and this is so not only because the Ba'th Party is in power and enjoys high authority in the country and the region in general, but because Syria regards Bulgaria as a friendly country—both in the past and in the future. Syria regards the BSP as a public force in Bulgaria that has done much to further the development of Bulgarian-Arab relations. Especially in its foreign policy activities, the BSP has always placed national interests above party ones, in contrast to other political forces.

[Sharlandzhieva] How did your visit to Lebanon go in these dramatic days for that country?

[Videnov] Our delegation spent two days in Lebanon—the last days of peace prior to the start of the Israeli offensive in southern Lebanon. We met the leaderships of the two left-wing parties—the Socialist Party [name as published], which is participating in the government, and the Lebanese Communist Party. One senses a sincere desire in the country to live in peace, both in Beirut, disfigured by the long civil war, and in the mountains. Everywhere, the desire of the Lebanese people for peace comes into conflict with the determination of foreign forces to continue toying with the country's fate, within the framework of greater geostrategic games and machinations. One sincerely regrets the fact that this heroic people, once again, has to face new trials.

[Sharlandzhieva] How would you describe the attitude of the BSP to the problem?

[Videnov] Our party's position on this issue is based on principle. Our visits to Syria and Lebanon confirmed for us that a lasting, just, and comprehensive peace in the region is only possible on the basis of the resolutions of the UN Security Council that specify a complete withdrawal from all the territories occupied during the wars and insist on the right of all states to exist within international recognized borders, which includes the Arab people of Palestine. We have not changed this position for many years, and for this reason we are respected. A very high assessment was made of the visit, largely thanks to the efforts of our Syrian partners, but also due to the BSP's sincere friendly attitude toward the Arab countries and Bulgaria's good image in this region.

National Bank Governor on Risk of Hyperinflation

AU0508153493 Sofia ZEMEDELSKO ZNAME in Bulgarian 2 Aug 93 pp 1, 6

[Interview with Professor Todor Vulchev, chairman of the Bulgarian National Bank, by Rozalin Kostov in Sofia on 30 July; "Does the Shadow of Hyperinflation Hang Over Bulgaria?"]

[Text] The old-new governor of the BNB [Bulgarian National Bank] was not let down by parliament, which declared its traditional confidence in him as our chief banker. Vulchev's deputy Emil Khursev was dismissed by decision of parliament.

I interviewed Prof. Todor Vulchev immediately following his reelection (deputy governors Gancho Kolev and Mileti Mladenov remain in their posts).

[Kostov] What will your first steps be in your new post?

[Vulchev] The BNB Board is likely to meet on Monday 2 August to be informed about parliament's decisions and to discuss our future action and moves. We will certainly thank Mr. Khursev for what he has done; he undoubtedly made a great contribution to the modernization of the BNB and to all its work so far. He is extremely talented, capable, and energetic. I believe that he can prove useful and he should remain in the financial sphere.

[Kostov] What will be the BNB's chief concerns until the autumn?

[Vulchev] The bank has not been destabilized for one moment, even when certain disturbances occurred last January, and it will continue to act in a stable manner. At present the foreign exchange market is quiet, and the money market is under quite good control. We do not anticipate any serious jolts in August, nor any sharp rises in prices—things that might upset us.

[Kostov] The announcement, even in the form of a project, of a new 10,000-leva banknote has spread confusion among millions of Bulgarians. Is this not a sign that we face hyperinflation?

[Vulchev] In our situation, it takes at least a year to issue a new banknote. The 500-leva note, which comes into circulation in November, has not even been printed yet. We will then work on the other four banknotes—of 1,000, 2,000, 5,000, and 10,000 leva, but we will concentrate on the 1,000-leva note, which will be ready by mid-1994. The banknotes of 2,000, 5,000, and 10,000 leva must be ready so that they can be printed if and when they are needed. In contrast to other countries, Bulgaria does not have its own printing facility, so we cannot react quickly if we find ourselves in a state of hyperinflation. No direct risk of this exists at the moment, but the potential is always there. In the event of political destabilization, if domestic prices are allowed to get out of control in the country because of severe imbalances in the economic sphere, we will then follow the course taken some time ago by other countries of Eastern Europe, such as Russia, Ukraine, Yugoslavia, and Poland; this, however, is not desirable. These are simply acts of prudent foresight. In 1991, for example, we experienced such a severe shortage of banknotes that the payment of wages and pensions was threatened. Thanks to the great skill of the staff in the banknote issue department, we overcame this critical period and did not suffer what Russia has experienced. I hope that the moment will never come when we have to issue a 10,000-leva banknote. However, we have to be ready if this does happen.

Never fear, there will be no high inflation. This year, it will be 60-70 percent. Up until June, it was about 34 percent.

[Kostov] Is there any need to put a 1,000-leva note into circulation?

[Vulchev] At the current level of prices, we need high denomination notes. However, in the thinking of the ordinary Bulgarian, 1,000-leva is a very big banknote, although he evinces no surprise at a 100-dollar note. Nevertheless, the 1,000-leva note is equivalent to 38 dollars, which is not such a great deal of money.

Government To Restructure Health Care System

AU0508181693 Sofia BTA in English 1724 GMT 5 Aug 93

[Text] Sofia, August 5 (BTA)—The restructuring of the Emergency Aid System in Bulgaria will be carried out with the assistance of the Operation PHARE [Economic Reconstruction Aid for Poland and Hungary] which undertook to grant ECU 10 million to help the Bulgarian health care, Dr. Ilko Semerdzhiev, deputy minister of health, told a press conference today.

At today's meeting, the government decided that the Ministry of Health and the Ministry of Finance should start working on an update of the budget health-care component. The government obliged the Ministry of Finance to prioritize the granting of the additional funds of 500 million leva allocated by parliament to the Ministry of Health which would be used to cover the expenses of regional health care establishments and the amounts necessary for free of charge medicines.

Minister of Health Tancho Gugalov told the press that only 10 percent of health care establishments receive funds from the Ministry of Finance, the rest get their money from the local authorities. In this connection, the government recommended to the local authorities to reconsider their decisions for financing the health care establishments, this activity will be supervised by the Ministry of Finance and the regional governors.

Deputy Minister of Health Semerdzhiev familiarized the press with the idea of establishing an autonomous Health Insurance Public Fund. The idea is set out in a Health Insurance Bill under which the fund would be initially financed through the national budget, then it would be replenished by health insurance contributions. Dr. Semerdzhiev expects the Health Insurance Bill to be approved by the government shortly.

World Bank Loans To Be Used for Energy System

AU0508181593 Sofia BTA in English 1652 GMT 5 Aug 93

[Text] Sofia, August 5 (BTA)—The Energy-1 Loan from the World Bank for the National Electricity Company, which parliament ratified last week, will be spent to finance the completion of units three and four of the Chaira Pumped Storage Power Station, the final completion of units one and two, and an improvement of the station's management. The press learnt this today at a news conference from Mr. James Moose, senior financial analyst at the World Bank's Country Department 1 and leader of a visiting group of World Bank experts. In addition, considerable technical assistance will be provided to enhance the managerial and information system of the National Electricity Company, Mr. Moose said. A second loan for the Bulgarian energy sector is going under consideration now: Negotiations were held to finance one of the thermal stations, as well as bilateral talks with various Bulgarian organizations. "We could not possibly cover all projects which Bulgaria might intend to start, but we hope that in the coming six months we will be able to identify the priorities and the needs for which the Energy-2 Loan will be earmarked," Mr. Moose said. Bulgarian and foreign consultants firms are helping to explore opportunities to qualify for this loan, said Mr. Veliko Iliev, chairman of the Board of Directors of the National Electricity Company.

At the news conference, the company's Director General Dyanko Dobrev and the Deputy Chairman of the Power Engineering Committee Nikita Shervashidze expressed conflicting views on the possibility to raise electricity prices before the end of the year. Mr. Shervashidze said that prices will go up by all means, as internal resources are also needed for the study and financing of measures to enhance energy saving in electricity consumption. On the other hand, Bulgaria and the European Bank for Reconstruction and Development are scheduled to hold talks in early September on a loan for the implementation of the energy saving programme, he added.

Authorities Indict Former Prime Minister Lukanov

AU0508194693 Sofia BTA in English 1747 GMT 5 Aug 93

[Text] Sofia, August 5 (BTA)—Mr. Andrey Lukanov, a socialist MP and ex-prime minister (1990) was summoned to the National Investigation Service and was presented an indictment in connection with the case of giving grant aid to third-world countries and foreign communist parties, Prosecutor Mikhail Doychev told BTA today.

In June 1992 the Bulgarian National Assembly adopted a decision to strip Andrey Lukanov of parliamentarian immunity and allow his arrest. Mr. Lukanov was under arrest until the end of 1992, when he was released by virtue of another resolution of parliament.

The charges against Mr. Lukanov are that as a member of the government from 1981 to 1989, he signed, together with another 21 ministers, a resolution on the granting of aid and credits to third-world countries and foreign communist parties amounting to 21 million leva.

According to Prosecutor Doychev, neither parliament nor the Council of Ministers passed a resolution on the granting of those funds. According to a statement by Mr. Lukanov for the press, the granting of funds was approved by parliament.

Ministry Welcomes NATO Decision on Bosnia

AU0508133493 Prague CTK in English 2036 GMT 3 Aug 93

[Text] Prague August 3 (CTK)—The Czech Foreign Ministry welcomes the readiness of the NATO countries to use military air force in Bosnia and Herzegovina, Lucie Pilipova, a spokeswoman for the ministry told CTK today.

The NATO countries decided last night to use air force against the Bosnian Serbs if they continue with their aggressive operations against Sarajevo and other places in Bosnia-Herzegovina.

Along with checking the observance of the no-fly zone and imposition of the sanctions in the Adriatic Sea, this is another important NATO contribution to solving the crisis in the former Yugoslavia, said Pilipova. She added that NATO's use of force was an extreme, but substantive step.

Statement of Harvard Funds President on Scandal

AU0508133693 Prague CTK in English 2029 GMT 3 Aug 93

[Text] [No dateline as received]

Dear citizens,

Allow me to react to several reports which have appeared in the press:

The claim that any information supposedly given to me personally by Agent Vaclav Wallis had any relevance to the investment strategy of the Harvard Funds is laughable and absurd. The strategy of the Harvard Funds in the first wave of voucher privatisation was formulated with the participation of leading experts from the USA with 20 years of experience in the management of portfolios worth hundreds of billions of dollars. The success we have achieved is the result of hard work, healthy reason and the high professionalism of the Harvard Funds' managers. Whoever takes a look at the successes of the other nearly 30 associations in the Harvard Group, A.S. (joint stock company—Ed), such as, for example, the HBS [Harvard Exchange Company], CM, VP, [expansions unknown] or any of the instruments produced by them, whether it be debt financing, portfolios, mutual funds, or the professional textbooks we translate and publish, will easily recognise that we do not need a slew of secret service employees to be successful.

The information transferred to me by Agent Wallis was a mere legalisation of actual blackmail. It predominantly went on about absolutely unreliable and unfounded word of mouth, like neighbourhood gossip, with the intent of discrediting, destabilising and disrupting the personal lives of individuals as well as the process of privatisation. I was genuinely blackmailed by a person whose real function as an employee of this institution (the FBIS [FIS, Federal Security and Information Service]—Ed.) was unknown to me. Not until shortly before the arrest of Agent Wallis, which apparently would not have taken place in the foreseeable future without action by me, did he transfer to me the first written material marked "FBIS," containing an order for the targeting, discrediting and later liquidation of my person, my close family and friends, and all the business enterprises I own.

It is with a heavy heart that I realise that the mere prosperity of my enterprises has made me a target of the secret service. Even more disquieting is the fact that this part of the state apparatus has eluded any kind of oversight, and that its member or members have begun to blackmail entrepreneurs, slander members of the government and spread alarming reports. The time has come to end speculation and let the whole affair be evaluated by the competent authorities. Neither I nor the Harvard Funds have anything to hide, nor are we guilty of any wrongdoing. I do not intend to be a puppet in a political circus, nor an instrument for fulfilling the dreams of warped creators' various fabrications. Just as I always have, I will fully support the authorities taking action in this affair.

Today, the success of the Harvard Funds is known over the entire world. Of this I have convinced myself, whether on business trips in China or the USA. The Harvard Funds have genuinely shown that they are capable. The Harvard Funds and Harvard Associations are strictly apolitical organisations, supporting constitutional democracy, human rights, and the process of privatisation, as well as the strong, democratically elected Czech Government and Czech president.

Security Council Campaign Reportedly 'Going Well'

AU0408152493 Prague CTK in English 1436 GMT 2 Aug 93

[Text] Prague August 2 (CTK)—The Czech Republic's campaign to become a non-permanent member of the United Nations Security Council is going well, the Czech Ambassador to the UN, Karel Kovanda, announced today.

We have definite reasons to view the campaign with a certain optimism, he said.

A seat on the Security Council will become free on January 1, 1994. The UN General Assembly will vote on the new occupant in about three months, at its autumn session.

Kovanda said in New York at the end of July that securing the Security Council seat was the Czech Republic's primary diplomatic goal at the UN. Obtaining the seat would not only make the country more visible in the world, but allow it to take on a greater share of responsibility for solving the world's problems, he said.

The campaign is being carried out along several lines, Kovanda said today. In conjunction with his efforts at UN Headquarters in New York, Foreign Minister Josef Zieleniec and his deputies and special representatives have been traveling to selected other countries to rally support.

The former Soviet republic of Belarus is competing with the Czech Republic for the Security Council seat. Kovanda, however, expressed a private opinion that political developments within the country could cause it to withdraw its candidacy.

The Czech Republic is also trying to make the most possible use of UN organisations for its own needs, especially economic organisations, Kovanda said, adding that he would be negotiating to increase the country's financial contribution to the UN as well as the number of Czechs working at the UN Secretariat.

National Bank Reduces Lombard Interest Rates

LD0508215193 Prague Radiozurnal Radio Network in Czech 2000 GMT 5 Aug 93

[Text] In view of the present currency situation, the board of the Czech National Bank has decided to reduce interest rates for Lombard loans from the current 14 percent to 12.5 percent beginning Monday 9 August.

The Lombard rate is charged by the central bank for loans against a pledge of securities, and its reduction usually signals favorable economic development and can act as an incentive for commercial banks to reduce their interest rates.

Factory Manager Says No Pistols Went to Panama

AU0508131093 Prague CTK in English 2017 GMT 3 Aug 93

[Text] Uhersky Brod, eastern Moravia August 3 (CTK)—Ceska Zbrojovka, the arms factory in Uhersky Brod, received an order for 5,000 pistols for Panama this spring, but the company was denied an export licence, Miroslav Duda, general manager of the factory, said today.

The order, which was placed by a Spanish customer, had been accompanied by original documents necessary for the granting of an export licence. After examining the first part of the order and consulting the Ministry of Foreign Affairs, the Ministry of Industry and Trade found no reason to refuse us a licence and for a while one was issued, Duda said.

Further investigation, however, revealed that the information supplied in the documents did not correspond to the declared place of purchase and therefore the licence was revoked. We were not familiar with the details. But no pistols from Ceska Zbrojovka went to Panama. Neither did they go to some other state from which they were to be reexported, Duda emphasized.

He confirmed that the factory did trade with both Spain and Panama, exporting weapons through its trading partner Merkuria praha. Until now there had been no difficulties in the market, and therefore they had not questioned the order, which had anyway come to nothing. Since the break-up of Yugoslavia and the embargo on arms exports to the region, our arms have not been exported at all. We last exported there at the end of the '80s, Duda said.

Ceska Zbrojovka exported material worth half a billion crowns in the first six months of this year. Arms exports have increased by 25 over last year.

Despite foreign interest in the factory resuming production of machine guns, Ceska Zbrojovka will continue to produce only a very limited number, most of which are destined for private collections.

Meciar: Government Successes Not Acknowledged

LD0408165293 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1500 GMT 4 Aug 93

[Excerpts] Today Slovak Prime Minister Vladimir Meciar visited the Press Agency of the Slovak Republic [TA SR]. During the visit he spoke with the editorial team of the REPUBLIKA daily, published by TA SR. [passage omitted]

Meciar said that the mass media and the public in general had only seldom noted the positive results of some concrete measures of the Slovak Government. For example, over the last three months, the state budget deficit had been reduced from 18 to 14 billin korunas, which was a success. However, there was no reaction to this.

According to the prime minister, journalists were more likely to point out the existing and, above all, anticipated, painful consequences of the transformation processes in the economy, state administration, and in other spheres. In this contex, Meciar said that Slovakia has only two options: Either the political stage will calm down and the present stage of development will accelerate, or—as a result of the fight between the individual political subjects—the development will be prolonged by several months.

The destabilization of the political scene could be resolved by an early elections which, according to Meciar, would delay the development in Slovakia by several months, or by strengthening the executive power. The latter would call for the presidential system: The president, who would be elected by the citizens, would be independent of the parliament, Meciar noted in the course of his discussion with the REPUBLICA editorial team.

SNS Meets on Continuing Talks With HZDS

AU0508155593 Bratislava NARODNA OBRODA in Slovak 2 Aug 93 pp 1, 3

[Julius Gembicky report: "The Coalition Is Dwindling Away"]

[Text] Zilina—Not even the postmortem on the unsuccessful negotiations between the nationalists and the Movement for a Democratic Slovakia [HZDS], which lasted more than three hours, satisfied the vain hopes of those who had secretly hoped for—and had encouraged from below—the disintegration of the Slovak National Party [SNS]. The SNS' supreme body between assemblies expressed its agreement with the course of action adopted by its representatives during the negotiations with the HZDS and twice rejected a proposal from Ludovit Cernak to hold a vote of confidence in him.

The willingness expressed on Saturday by the Slovak National Party Central Council in Zilina's Old Town Hall to accede to another round of coalition talks with the HZDS, as well as its rejection of invectives and antagonism and exchanging misinformation and information through the media, did not stave off the possibility of reopening—or of a second round of—the coalition talks. In its final communique, the Central Council emphatically protests against the incorrect presentation of the coalition talks and the allegations made about individual SNS representatives by the HZDS. "Such methods are alien to the Slovak National Party; it considers them to be deliberate and aimed at obscuring the real reasons for the failure of the coalition talks and at creating the conditions for political apathy and a lack of interest in public issues." The nationalists view the scandalmongering about their representatives as a means of diverting attention from the real economic and social problems that Slovakia must now resolve.

By adopting an accommodating attitude, the SNS has thus assumed a wait-and-see attitude and will expect a response from its possible coalition partner. The Central Council confirmed the recommendation made by its Presidium last Tuesday that regards the first round of negotiations with the HZDS to be over because the movement is not ready to conclude a coalition agreement. At the same time, it gave its negotiators a mandate that, in the event of another round, the SNS delegation will again be led by SNS Chairman Cernak. The SNS leaders made a commitment to refrain from any kind of invectives or scandalmongering about HZDS representatives to offset their uncompromising attitude toward the demand made by Vladimir Meciar for joint talks with the allegedly discredited Ludovit Cernak.

Despite this, during a break in the proceedings, several of the delegates asked rhetorical questions on whether the HZDS will react at all to their accommodating stance, whether they will still meet, and, if so, at what level. They considered it absurd for the HZDS chairman to barter for the non-participation of Cernak in possible future talks. Theoretically, the SNS could also demand the same thing, that is, that Vladimir Meciar withdraws from the talks or from a government in which their chairman could not sit alongside the prime minister.

Some optimistically inclined delegates would like nothing more than to sweep away the whole Cernak-Meciar affair by having the two men meet in private and exchange a manly handshake so the talks can continue. However, their enthusiasm was cooled by a summary of the statements made by leading HZDS representatives about a coalition with the SNS after the election of the Supreme Control Office and Slovak National Bank officials; the delegates obtained the summary from the Press Center and the Department for Political Analysis. They were equally disillusioned by Meciar's most recent rejoinders about their chairman on the eve of the Central Council meeting. The alleged misinformation issued by the prime minister that, prior to last year's elections, Cernak had hesitated between membership of the SNS and membership of the HZDS aroused particular indignation. Ludovit Cernak is one of the party's earliest members, since 1990, and he has a low regular member registration number, something above 50. Moreover, although Vladimir Meciar asked him to, he had no intention of transferring to the HZDS and refused to enter himself on its list of candidates.

A news conference was held in the Old Town Hall following the extraordinary SNS Central Council session. SNS Chairman Ludovit Cernak repeatedly emphasized his party's readiness to negotiate and define a new joint program for the two parties. He emphasized that, if the negotiations are reopened, they should not begin as they did in the first round with slogans and possible candidates, but should begin with principles and a code of conduct from which everything else should proceed. SNS Deputy Chairman Anton Hrnko informed correspondents that the SNS Central Council has recommended its deputies in the National Council of the Slovak Republic to instigate a referendum on restoring the death penalty.

In response to a question from NARODNA OBRODA on the real reasons for the failure of the talks with the HZDS, Cernak alluded, first and foremost, to the political reluctance of the governing movement to form a coalition. In response to another question on whether the gentlemanly tone and the rejection of invectives and scandalmongering against HZDS representatives are not in fact self-criticism by the SNS chairman, he was unusually pensive. Aware of his statement as the guest on page 9 of NARODNA OBRODA, he conceded that the statement "we will swallow the HZDS" was exaggerated and that some delegates had taken offense. The same applied to another statement made on Slovak Radio about the possibility of forming a coalition government even without Meciar. However, he refused to comment on this.

SDL Official Comments on HZDS Coalition

AU0508130893 Prague CTK in English 1205 GMT 3 Aug 93

[Text] Bratislava August 3 (CTK)—A coalition of the Movement For a Democratic Slovakia (HZDS) and the Slovak National Party (SNS) would not produce a change in the quality of the cabinet, nor any fundamental solutions to the problems of the Slovak economy, Deputy Chairman of the Democratic Left Party (SDL) Dusan Dorotin told journalists today.

Dorotin said that the days of politics for all—or for the majority anyway—were over. They had been replaced by attempts to assert individual or group interests.

Whenever measures are being approved which affect the interests of the general public, we witness cover-ups. It is essentially just a struggle for the financial sphere, to control the privatisation process and the mechanisms of power, he said.

The Democratic Left Party, therefore, suggested a meeting of all parliamentary parties for an objective evaluation of the basic priorities of Slovak domestic and foreign policy, and to analyse the problems of privatisation and the rise in crime.

Deputy Chairwoman Alzbeta Borzova warned that the end of the first wave of privatisation, which the state secretary of the Ministry for Administration and Privatisation of National Property, Ivan Lexa, announced for the end of September, would be a merely formal end. Unprivatised companies would transfer themselves to the second wave.

It is solution which we know well from the former regime, when a plan that had not in fact been fulfilled was cosmetically adjusted on paper and "over-fulfilled," Borzova said.

Communities Asked To Remove Hungarian Road Signs

AU0508125693 Prague CTK in English 1546 GMT 3 Aug 93

[Text] Bratislava August 3 (CTK)—The Slovak Transport Ministry has sent a letter to all directors of district road administrations in southern Slovakia asking them to remove road signs with Hungarian names of cities and communities.

The road signs in southern Slovakia, in which a large Hungarian ethnic minority lives, are in both Slovak and Hungarian.

The mayors of the communities were told that if this operation is interfered with, district road administrations will ask police to protect their employees.

The Hungarian ethnic party, Egyutteles, declared that it considered placing grammar over human rights unacceptable.

On July 7 the Slovak parliament passed a law permitting the use of Hungarian place names and Christian names in official records without their being adapted to Slovak grammar and spelling rules. It passed the law, thereby reversing government policy, in order to comply with strong recommendations by the Council of Europe that were, in effect, prerequisites to becoming a member of the Council.

The government, however, decided a week later to return the law to parliament. Minister of Culture Dusan Slobodnik justified the move by saying the Council could not impose certain things on us, and that it was necessary to preserve the principles of Slovak grammar. The Council of Europe cannot impose grammar on us, as it is not within its competence. It is within the competence of the supreme God of Slovak grammar, the Ludovit Stur Language Institute, he said July 13.

He added that parliament had passed the law because of a misunderstanding by deputies, who neglected to include several important amendments during the heated debate.

NBS Governor Interviewed on Bank's Role

AU0508152493 Bratislava NARODNA OBRODA in Slovak 2 Aug 93 pp 1, 4

[Interview with Vladimir Masar, governor of the National Bank of Slovakia, by Igor Zvach; place and date not given: "Slovakia Has the Smallest Debt"]

[Text] Bratislava—After extended protractions, the National Bank of Slovakia [NBS] finally has a new governor for a few days. He is former state secretary of the Finance Ministry of the Slovak Republic, Engineer Vladimir Masar. Less than 24 hours after his appointment, we asked him several questions.

[Zvach] Sir, let us start with problems that are awaiting you in your new position. What still needs to be resolved concerning the NBS?

[Masar] I would like to say that I am not starting from scratch. A lot of work has already been done—the NBS has been working for more than six months. Despite this, I believe that the most important thing is to complete the personnel and organizational structure of the NBS. So far, the bank has one governor and one vice-governor. Therefore we must appoint the second vice-governor quickly, and finish selecting the personnel for the NBS Bank Council, as it is the bank's most important institution.

There is one no less important matter at this juncture—to strengthen the NBS analysis department so that we might have the opportunity to build on the best quality analyses and prognoses, within a short period of time.

[Zvach] Some reaching outward will also have to be done.

[Masar] Definitely. We must continue the internationalization process of the NBS. Internationalization is effected to a certain extent by the quality of the work and decisions, but so-called technical internationalization is also important. This means establishing relations with other banking institutions, and NBS representation in international banking institutions such as IMF, the World Bank, and others.

[Zvach] I would like to make reference to the fact that it is only a few hours since you ceased to be state secretary and assumed the office of NBS governor. You participated in many talks that have resulted in an IMF loan being provided. This loan is accompanied by certain IMF recommendations the public is not fully aware of. Could you mention them?

[Masar] There is no secret here. The IMF proposed some recommendations after examining our economy. In principle, they look at strengthening the income side of the state budget, and making the expenditure side more efficient. In this connection, they recommended that we have a more realistic view of the state budget and its deficit. The state budget has been approved as balanced, but the public knows what the real situation is today. Then there are recommendations in the currency sphere, aimed at strengthening foreign currency reserves.

[Zvach] I will interrupt you here. According to available information, foreign currency reserves grew....

[Masar] This is true. They really grew after the decline at the beginning of the year, but this does not meet actual needs. It is normal for foreign currency reserves to be equal to the value of imports for several months.

[Zvach] Does that mean that we have met the IMF recommendations?

[Masar] Yes, we have received the first loan (amounting to $90 million—editorial note) and can apply for others.

[Zvach] Slovakia has excessive debt even now, does it not?

[Masar] On the contrary. All the available data indicates that, compared with other post communist countries, the Slovak Republic's debt is the smallest and is able to meet more obligations.

[Zvach] Concerning this subject, there was certainly some reason for your recent trip to Japan.

[Masar] We must mention the reason this trip was undertaken. First, there is a new quality of relations between the Slovak Republic and the IMF, second, there are the results of the recent G-7 talks, at which a recommendation was adopted to cooperate with former socialist countries. Both had a positive effect on our Japanese partners' attitude in the talks with us, and—what is most important—on the results of those talks.

[Zvach] The Japanese EXIM [expansion unknown] Bank, which closely cooperates with the World Bank, promised to provide part of the loan, $100 million, that had been promised to the former CSFR. We can get $33 million after certain projects of ours are evaluated by Japanese experts. They will come to the Slovak Republic in the last 10 days of August. It is also a possibility that the aforementioned bank will provide us an equal sum to that promised by the World Bank: $150 million. Some projects will most certainly be financed by JAIDO [expansion unknown], a Japanese international organization for development. Among the Japanese commercial banks, the most promising talks on financing specific projects were those held with the Bank of Tokyo and SUMITOMO Bank. The latter, for instance, will finance (short-term) some of Slovak-Japanese trade. There are more examples like that.

June Economic, Unemployment Figures Reported

AU0508153093 Bratislava HOSPODARSKE NOVINY in Slovak 2 Aug 93 p 2

[TA SR report: "The Slovak Republic's Economy in June"]

[Text] Consumer prices and prices for services increased 0.4 percent in Slovakia in June, against May. Prices for non-food products and services rose 0.8 percent, and for public catering 0.4 percent. Price for food products dropped 0.4 percent. Against December last year, prices rose 14.2 percent in general. This is what ensues from preliminary data provided by the Statistical Office of the Slovak Republic on principal trends in selected sectors of the Slovak Republic's national economy in June.

According to the Statistical Office of the Slovak Republic analysis, the cost of living increased 0.4 percent in June, compared with May. Against December 1992, the cost of living increased 12.8 percent. The inflation rate (increase calculated according to the consumer price index) increased 0.4 percent in June. Compared with December last year, this rate increased 14.2 percent.

In the Slovak Republic, there were 318,082 unemployed, which is 13,500 more than in May. The overall number of companies and firms increased in the process of the formation of the private sector by 914, and reached 22,005 entities. Of the total number of organizations, 25,118, private companies made up 87,6 percent. The state budget showed a deficit of 14.8 billion Slovak korunas.

Trade Surplus With Czech Republic Reported

AU0508155993 Bratislava HOSPODARSKE NOVINY in Slovak 4 Aug 93 p 4

[TA SR report: "The Slovak Republic's Surplus"]

[Text] On the balance of trade between Slovakia and the Czech Republic, the Slovak Republic had a deficit of 2.8 billion Slovak korunas [Sk] in the old block [stary blok—trading concluded between the separation of the currency]. In the new block (after the currency split), there was a surplus of 155.3 million European Currency Units [ECU], which is Sk5.8 billion Slovak. After settling all claims and obligations, Slovakia's surplus amounted to Sk3 billion. However, a mechanical calculation is not possible, since surplus in the new block surpassing the credit limit of 130 million ECU, or rather 25.3 million ECU, should be paid by the Czech Republic in hard currency.

Since the currency separation, two perceptible trends have emerged in trade between the Slovak Republic and the Czech Republic. First, after the currency separation, which ended in mid-April, the Slovak Republic had a surplus in the old block of payments and a deficit in the new one. In the next period, the exact opposite occurred. In the Slovak Republic, primary and secondary production is prevalent, while final processing prevails in the Czech Republic. The Czech Republic is, therefore, dependent upon Slovakia because it can get products for final production at a much cheaper price. The huge increase in the Slovak Republic's surplus after the currency separation—an increase from 25 million to 155.3 million [currency not specified]—can be described as interesting.

IMF Loan Covers Needs for Foreign Currency

AU0508160093 Bratislava NARODNA OBRODA in Slovak 2 Aug 93 p 2

[TA SR report: "It Is Enough for the Time Being"]

[Text] Bratislava— M. Tkac, governor of the National Bank of Slovakia [NBS], said in an interview for TA SR that the $90,000,000 loan provided to the Slovak Republic by the IMF should be enough for the time being. If this sum is added to the NBS' existing foreign currency reserves, then that alone amounts to more than $300,000,000, which was the balance at the beginning of the year. After the talks, there is a chance that the Slovak Republic will place its bonds (securities) on the foreign market.

According to information provided by M. Tkac, the 4.1 tonnes of gold that belong to Slovakia, which is one-third of the federation's gold reserves, have not been transferred to Slovakia yet. Apart from that, the issue of the so-called Slovak gold has not been solved yet. According to him, the Czech side is basing the release of the gold on the Slovak Republic's attitude toward its debt inherited from the former Czechoslovak State Bank. The Slovak Republic, on the other hand, links its debt to the gold issue. M. Tkac hopes that this vicious circle will soon be broken.

Minister Jeszenszky Views Regional Issues

AU0508134493 Budapest UJ MAGYARORSZAG in Hungarian 4 Aug 93 p 6

[Interview with Foreign Minister Geza Jeszenszky by Laszlo Daroczi; place and date not given: "Hungary Does Not Have a Border Dispute With Any of Its Neighbors—Rather Than With the Serbian Nation, We Have Serious Reservations Against Certain Politics"]

[Text] In connection with the recent meeting of the Central European Initiative's [CEI] prime ministers in Budapest, the problems of our region and bilateral relations, for example Hungarian-Slovak relations, were discussed many times and many ways. UJ MAGYARORSZAG interviewed Geza Jeszenszky on Hungary's relations with its various neighbors and, naturally, within the interview, the issue of the borders and Budapest's commitment toward the Hungarians in Vojvodina were also mentioned.

[Daroczi] The issue of the basic agreement has virtually become the key issue of relations with our neighbors. The government is criticized from abroad and in Hungary for using so-called political blackmailing and for subordinating this issue to domestic political goals. To clear the misunderstandings: What is the official Hungarian stand on the possibility of making these agreements and, within this, mainly on the issue of the borders?

[Jeszenszky] On the basis of the 1990 government program, Hungary is also ready to lay down its basic principles relating to its neighbors and other countries, and the mutual interests, in agreements. With our neighbors, it is only worth having complex agreements that extend to all areas of relations. This has to have many elements including political, economic, cultural, ecological, and other issues. Where Hungarian national minorities or parts of the nation exist, then it also has to contain guarantees for the rights of this Hungarian community (and the non-Hungarian community in Hungary), in accordance with the views of the people concerned. (We included the Romanians in Hungary in the Romanian-Hungarian talks and we support the demand of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] that their views also be heard.) If a country is willing to provide the guarantees needed by the local Hungarians (such as self-government, preservation of the schooling system, use of first names and place names, proportional representation on all levels, keeping the Hungarian groups together in public administration, and all that the Council of Europe expects and wishes to supervise), then we can make an agreement. This in turn can lead to the closest possible cooperation, in accordance with our common traditions and customs.

Rather than Hungary, it is some of its neighbors that keep the issue of the borders on the agenda by attributing border-revisionist intentions to Hungary before their own population and the international public. I see no point in repeating it for the hundredth time that we respect the peace treaties of 1920 and 1947, which were created and guaranteed by the big powers. However, if our neighbors recognize and guarantee the rights and equality of Hungarian living beyond the border, namely that they are part of the state, then, striving for strengthening mutual trust, we can seek formulations that confirm the validity of the territorial decrees of the peace treaty and the articles of the Helsinki Final Act. However, the two cannot be separated from each other. All this follows from the 1989 program of the Hungarian democratic forum [MDF] and the government program and it is not a result of momentary domestic or foreign political considerations. I find it very unfortunate that, from time to time, domestic factors also contribute to spreading the slander hurled against the country through their own statements or the almost elated repeating of the foreign accusations, by giving more publicity to the distortions than to the Hungarian government's position, and by one-sided and impossible interpretations. We must not sacrifice our national interests on the altar of party interests.

[Daroczi] We are expecting a delegation of Slovak experts to hold preliminary talks on the basic agreement. How strong is the Hungarian willingness for compromise, or to reverse this question, to what extent can the unresolved problems (Bos, national minority issues) hinder progress?

[Jeszenszky] I agreed with the Slovak foreign minister that we will implement the decision of the September meeting of the prime ministers that a joint committee—of experts, scientists, and the representatives of the affected minority—should examine the situation of the national minorities in the two countries. The Hungarian side has set up this body, the two leaders have met, and the work can begin. The other agreement said that high-ranking officials should overview the situation of bilateral relations and the issues to be solved. This is a very broad area that includes some very old issues like the construction of the Hungarian cultural institute in Bratislava. Naturally, the Bos water barrage system is also among the issues. I would not like this to bring the whole dialogue to a deadlock, however, while we referred the basic legal dispute to The Hague, the issue of dividing the water can by no means be excluded. An investigation with international participation is being outlined here, which is definitely suitable for depoliticizing this issue just as I have always thought it desirable as this is basically a legal, technical, and ecological problem. Naturally, a serious political aspect has evolved to all this in recent times but we did not create this.

Hungary welcomed the birth of Slovakia, the independence of a nation with which we can look back to 1,000 years of coexistence and this coexistence was not at all bad. This—as all our neighborly relations—was only disturbed by the process of national awakening in the past century and, since then, we have had debates on the assessment of various periods of coexistence, especially the period of dualism. On the whole, though, both in respect of the past and of our broad intentions regarding the present time, Slovak-Hungarian relations are much better than we are allowed to believe on the basis of press statements and the occasionally very serious Slovak steps—like the diversion of the Danube and the ensuing polemics. Naturally, the problems cannot be swept under the carpet, but we are trying to take them to the appropriate forums while progressing in the other issues. This is what can be expected in the coming weeks.

[Daroczi] To what extent is it realistic to expect Slovakia to abolish the recently often-mentioned Benes decrees?

[Jeszenszky] The past cannot be changed and it cannot be helped that the Czechoslovakia of the time, completely illegally and arbitrarily, removed and chased away many tens of thousands of Hungarians, and then, through an exchange of populations that was forced onto Hungary but which stopped the further resettlements, further tens of thousands were sent to Hungary or swapped for Slovaks from Hungary. The background of all this was that, in 1945, in the Kosice government program, Czechoslovakia outlawed the Hungarians as well as the Germans, deprived them of their citizenship, property, and all legal protection. To quote Kalman Janics, the years of statelessness followed, and, in addition to the living memory of this terrible period, its economic effects are still with us. The then-confiscated property has not been returned and the Slovak compensation is only willing to ensure some kind of reparation for the injustices from the time of the communist takeover in 1948. The point of the issue is that the Hungarian population should not be discriminated against, and the facts I am aware of do not exclude this possibility. Therefore, the demand of the Council of Europe, and not of Hungary, that the laws and rulings declaring collective crimes have to be invalidated are mainly connected to this.

[Daroczi] There is a big silence in the case of Romania, apart from some statements. Does this mean that some kind of agreement is being outlined in the background or that the two countries simply cannot move off the deadlock?

[Jeszenszky] In my view, it is definitely a good sign that even the Romanian press is occupied with Romania's domestic issues and economic problems rather than with the artificial issues it dealt with so much in the past period. Raising the issue of the alleged Hungarian threat is a tragicomical issue because no one can really think that Hungary could pose a military, political, economic, or any other threat to Romania. Romania is certainly making respectable efforts to remove the economic heritage of the Ceausescu-system. We know that, in addition to this regime becoming renowned for its rather extreme version of political oppression and the terrible practice of destroying the villages, which in a certain sense was similar to ethnic cleansing, every Romanian citizen suffered because of the completely wrong economic plans and investments. Liquidating the damages is mainly in the interest of those who are living there, including the Hungarians, but the economic stability of our eastern neighbor is also important for us. It is not at all good if significant differences exist between the living standards in two neighboring countries.

I hope that Romania is preparing to establish better diplomatic relations with Hungary, too. However, in addition to expressing this intent, which has happened many times, certain actions are also needed. If I want to be optimistic then I can see some faint signs that are presumably connected with the Council of Europe membership. I very much hope that, rather than only temporary issues or cosmetic steps, the recognition that Romania has to change its practice in certain areas is in the background, the need for which was clearly defined in connection with the Council of Europe membership and the association agreement with the EC. Primarily, the national minority policy is in the focus of attention.

[Daroczi] Romania's acceptance into the Council of Europe is coming closer. Has the Hungarian stand on the voting been decided and will the Slovak formula be repeated?

[Jeszenszky] Hungary has already indicated that, in our view, all forms of Slovakia's and Romania's European integration is definitely desirable in principle. If for nothing else, then for the simple reason that we do not wish to keep the millions of Hungarians living beyond the border outside the institutions that we are a member of. At the same time, the several foreign-ministerial letters and other diplomatic reports I received in connection with Slovakia's Council of Europe membership indicate that it was not only in the case of Slovakia that Hungarian politics successfully directed the attention to the unsettled situation of the Hungarian minority, to a series of unresolved problems and dangers, but it can also be expected in the case of Romania that much attention will be given to these. I hope that Romania, itself, will take the steps that make integration, including the Council of Europe membership, easier for it; and which will also make it possible for Hungary to be able to support this process, namely Romania's request.

[Daroczi] We continue to receive worrying news from the south Slav region, including the psychological warfare against the Hungarians in the Vojvodina. What is the Hungarian diplomacy's scope for maneuver in this delicate situation when it should indirectly support the Vojvodina Hungarians in such a way that neither they nor Hungary becomes a target of Serbian extremists, but at the same time, it should also defend our interests against the repeated provocations and pirate actions like the blockade of the Danube?

[Jeszenszky] Hungary does have a scope for maneuver in this issue. As a result of our favorable geographic situation, the Hungarian transit route, as an unavoidable stage in European relations, is especially important for the east and south-east European states that are aspiring to European integration or simply for intensive economic relations. The current leadership in Belgrade is also aware of this, and it might be related to this fact that, in recent weeks, anti-Hungarian outbursts have ceased to exist or at least I hope they have, and various Serbian groups have formulated a need to settle and restore relations with Hungary. Sometimes, even very optimistic statements are made, according to which they could form exceptionally good relations with Hungary.

I have always emphasized that Hungary has no global problems with the Serbs—we have very serious reservations regarding certain politics, but we are not the only one doing this. It is by no accident that Belgrade is hit by sanctions. I would expect, in Hungarian-Serbian relations, that real contact is made with the Democratic Union of Vojvodina Hungarians [VMDK] and the VMDK's recommendations are discussed. These proposals are in complete agreement with the south Slav settlement proposals formerly known as the Carrington-plan and they are also very similar to the Vance-Owen plan that is trying to settle the Bosnian issue.

This is the local governments of the various ethnic groups, even in a form of cantons. In my view, it is very remarkable that Russian foreign policy is actually also urging this solution in various ways and I was very happy to hear that Deputy Foreign Minister Churkin recently met the leaders of the VMDK.

The Security Council reacted very sharply to the Danube blockade, therefore, it can be said that free passage on the Danube and the issue of the national minorities in the Vojvodina and elsewhere is at the forefront of international attention. It is a goal of Hungarian diplomacy to keep this issue on the agenda bilaterally and on the agenda of multilateral forums, and to help find possible solutions. At any rate, this mainly depends on those involved, namely on the political representatives and leaders of the Hungarians and on the various Serbian political parties and factors.

[Daroczi] In spite of all good-willed approach and intent, it seems that, especially in reflection to certain Czech statements, the regional organizations of cooperation are having operational problems. Is it still possible to give new meaning to these, or should we concentrate all our efforts on the West European integration, especially because the EC's Copenhagen statement also indicates differentiated attitude toward those who are seeking membership?

[Jeszenszky] Regional cooperation continues to be an emphatic area of Hungarian foreign policy and economic policy. The tendencies and perspectives may again be better in this area than it is perceived by the public because, after all, a free trade agreement was made which can even be accelerated. The CEI meeting in Budapest did not only deal with the issue of the national minority conference. As a matter of fact, there was a strong consensus in this issue, too, namely that it is definitely worth examining the various solutions within the framework of Central Europe. The closing document also reflected this approach, and although a concrete formula was missing due to the attitude of two delegations, the fact itself was in it.

The EC is urging that trade with each other should also increase in addition to trade with the EC. I fully agree with this suggestion. I hope, and there are very many indications to this, that the CEI's practical projects and the economic plans and agreements outside the CEI will be able to deepen the regional cooperation of Central East European countries and also increase the links between areas along the borders. The Carpathian Euroregion is known, its territory has increased since the agreement on it was signed, because further Ukrainian territories and counties have joined. In my view, in addition to Slovakia's formal participation, Romania's is also due because Romanian counties would also like to join.

Therefore, regional cooperation is not off the agenda at all and the various international financial institutions continue to be willing to examine and finance the investments that can contribute to the very goal also formulated by the EC and which is also in the 1990 government program. This means that relations with each other have to be deepened in all areas including the economy, as a child of the family of the EC, in the interests of the rebirth of Central Europe. It seems like a difficult birth, but its success is in our interest.

Editorial on Slovak Policy on Place Names

AU0508111993 Budapest NEPSZABADSAG in Hungarian 4 Aug 93 p 3

[Endre Aczel editorial: "Game With Signs"]

[Text] The removal of the Hungarian language place-name signs in Slovakia could seem to be petty nit-picking and molestation by a lower level authority—but we know what we know, even without the necessary legislation, parliamentary decision, government decree, or anything similar.

Whoever is implementing this (the transport ministry or, as it happens, the road maintenance, road diggers, or quietly encouraged "volunteers"), it is the suspicions and negative prejudices of Slovak politics to do with place-name signs that is behind the whole issue.

In such a way that Bratislava tends to see the Hungarian place names as a reminder of the fact that, in the past, these places belonged to Hungary, they are very undesirable in a country that still feels that its historical due is very insecure (especially after the Czech and Slovak separation).

It is possible—I do not deny this—that certain Hungarian groups and political factors in Hungary are trying to increase this insecurity from time to time. I myself can gather a whole bunch of unfortunate statements. I am convinced that no Hungarian national interests are attached to this whatsoever. However, removing the the

Hungarian place names is the least suitable or acceptable means to compensate for the ill feelings created by the suspicion. I suggest that our Slovak friends try to make themselves believe that, rather than recalling the historical Hungary, the Hungarian place name signs simply indicate that, here and now, Hungarians are living in the given places. If these same friends of ours consider that the often quoted recommendations of the Council of Europe—addressed to them—urge for settling the issue of place names from the point of view of national minority rights, rather than to applaud Hungarian irredentism (would Europe have a majority for this? No way....), then they might take a liking to acting solely according to the European norms.

This whole issue has to be completely independent of Hungary's behavior in the Bos-Nagymaros issue, what is said at a political meeting, or whether articles that might hurt Slovak national self-esteem appear in Budapest. Slovakia has obligations toward the Slovak citizens who are ethnic Hungarians and speak Hungarian. Naturally, the implementation of this cannot depend on the extent that the Slovak party political power conditions encourage the "patriotic" (in fact, nationalist and anti-Hungarian) competition of certain political parties under the heading "Who Is the Better Slovak?" either.

I know that this never has an effect but I can never resist recalling that in Finland, where a similar proportion of the population is Swedish as it is Hungarian in Slovakia, bilingualism prevails completely and everywhere. Even in places where there is no sign of Swedes and there never has been.

New Right-Wing Organization Formed

AU0508142993 Budapest NEPSZABADSAG in Hungarian 5 Aug 93 p 11

["P.H."-signed report: "The Young Soldiers of Uncle Potyka"]

[Text] Within the Anti-Fascist and Anti-Bolshevik Federation that supports the skinheads, a new organization has been formed called the Levente Federation [a "levente" was a member of a paramilitary youth organization between 1928 and 1944]. At the inaugural meeting, Uncle Potyka, properly Istvan Porubszky, who is known by the public as the mentor of the skinheads, was also present.

According to statements made at the inaugural meeting, the Federation gathers together young people with "Hungarian national conservative thinking and feelings." Porubszky emphasized that, before the elections, a radical alliance is needed that "counterbalances" the deception of youth by the "liberal left wing." One of the contributors called the gypsy demonstration in Eger a provocation. Altogether, 15 people were present at the inaugural meeting.

Suchocka Views Privatization, Economic Growth

LD0508164093 Warsaw Radio Warszawa Network in Polish 1400 GMT 5 Aug 93

[Text] Prime Minister Hanna Suchocka's news conference lasted almost an hour. At today's meeting with journalists, the head of the Polish Government focused primarily on issues of environmental protection and the eco-fund. She also emphasized that this year's gross national product will be 4 percent higher in relation to last year.

[Begin Suchocka recording] According to Western experts, it is probable that Poland will be the only country in Europe to achieve such extensive economic growth. One ought to remember that in all other central and east European countries the decline in industrial output has been equally sharp or even sharper than in Poland. The recession has not spared the Western part of our continent either. [end recording]

[Announcer] The other topic attracting public attention is privatization.

[Begin Suchocka recording] We started this process together with our economic reform. Last year the process accelerated and diversified. Apart from the forms already in existence, we are embarking on mass privatization. We are opening up privatization paths resulting from the State Enterprise Pact. We are introducing privatization in stages, convenient to our domestic capital. I would like to emphasize very strongly today that, in my opinion and in the opinion of this government, privatization should be continued, not because it results from some doctrine but because privatization is bringing about tangible effects to us all. [end recording]

Minister Lewandowski Defends Privatization

LD0408203693 Warsaw PAP in English 2013 GMT 4 Aug 93

[Text] Warsaw, Aug. 4—The process of privatisation is carried out according to the privatisation law, with the approval of the workforce of privatised companies, their boards of directors as well as with the acceptance of local authorities, Privatisation Minister Janusz Lewandowski wrote in a statement sent to PAP on Wednesday [4 August].

The minister was replying to accusations of Waldemar Pawlak, the leader of the Polish Peasant Party (PSL), and Ryszard Bugaj, the leader of the Union of Labour (UP), who during their TV addresses on Tuesday charged him with faulty moves in the privatisation process.

Lewandowski admitted in his statement that there happen to be controversial matters but nobody is forced to undergo privatisation.

Referring to the privatisation of "Gorazdze" and "Strzelce Opolskie" cement factories, which were recently sold to Belgians, the minister pointed out that the transaction saved the cement plant at Strzelce Opolskie from bankruptcy. The sale also brought almost 1 trillion zlotys (some 55.5 million U.S. dollars) to the state budget. Under the contract the Belgian side is obliged to invest capital in the two cement factories in order to modernise them, stressed Lewandowski adding that it is absurd to talk about losses in that instance.

Russian Troops Leave Rembertow

LD0608104693 Warsaw PAP in English 1013 GMT 6 Aug 93

[Text] Warsaw, Aug. 6—The Special Communications Brigade of the Russian troops left Rembertow near Warsaw shortly before 11:00 a.m. on Friday.

Commissioner of the Polish Government for the stationing of Russian troops in Poland General Zdzislaw Ostrowski, Russian Ambassador to Poland Yuriy Kashlev and Commander of Russian troops in Poland Gen. Leonid Kovalov took part in the official farewell ceremony at the side-track of the Rembertow railway station.

Samoobrona Accuses Parties of Misusing State Bodies

LD0408155293 Warsaw PAP in English 1516 GMT 4 Aug 93

[Text] Warsaw, Aug. 4—Leader of the "Self-Defence" (Samoobrona) farmers union Andrzej Lepper on Wednesday [4 August] accused the government of using the state apparatus to conduct an election campaign benefiting its parties. Speaking at a press conference, Lepper specifically named the Democratic Union (UD) and the Non-Party Reform Bloc (BBWR). Lepper also said that some electoral commissions were deliberately delaying the registration of the lists of "Self-Defence" candidates for the Sejm in order to prevent the grouping from submitting lists in all constituencies.

Head of the "Self-Defence" election committee Janusz Bryczkowski claimed that the union is afraid of further obstructions in registering the lists of candiadates for the Senate.

Lepper added that "this a a deliberate action of the ruling parties" who want to eliminate "Self-Defence" from the elections. He declined to give the names of persons who, according to him, pursue "anti-Polish policy", but singled out Privatisation Minister Janusz Lewandowski who has long been criticised by the union. He added that "if a major privatisation plan is being implemented, then the prime minister and the president have to know about it." Lepper stated that "one cannot ban regional state officers from running in the elections, when the cabinet ministers are taking part in it."

Macierewicz Discusses Election Strategy

WS0508093093 Warsaw Radio Zet in Polish 0615 GMT 4 Aug 93

[Studio interview with Antoni Macierewicz, co-leader of the Coalition for the Republic, by Andrzej Woyciechowski; from the "Guest of Radio Z" program—live]

[Text] [Woyciechowski] Last night [former prime minister] Olszewski stated, I think in a definite manner because the election is drawing near, that the Polish center-right will not unite. The news, not yet published in today's press, came very late last night. Is this the final word, or is there some possibility of talking things out with Kaczynski's coalition?

[Macierewicz] I think you have it wrong in saying that Olszewski said that there would be no unity. As far as I remember, Olszewski stated—and not the first time—that there has been no unity. Coalition for the Republic will be taking part in the election in the form which it adopted almost three weeks ago. This form is molded, clear, and obvious. We have no intention of wasting more time on continuous discussions, deliberations, etc. We will take part in the election as a committee of voters, based not on privileges or various facilitations in electoral law created by political parties, but on signatures. Those signatures were collected in 26 regions, 3,000 signatures in each region. It is such signatures that demonstrate the extent of public support for our coalition. As I mentioned previously, this is not some kind of privilege decided during Sejm negotiations. It is therefore a committee of voters resulting from the five percent threshold. It is always possible for someone to join us, but we have no intention of procrastinating, deliberating, and negotiating. In other words, we do not wish to waste time and energy.

[Woyciechowski] What was the point of contention with Kaczynski? How do you explain this? Why was it so difficult to unite?

[Macierewicz] Well, I prefer not to discuss these issues in depth because different people have different views. I do not think that public discussion of these issues will be helpful in reaching an agreement. Sometimes undertones, silly words, interpretations and points of view are significant and the most important thing is....

[Woyciechowski, interrupting] The consequence of this political prudence is that [words indistinct]....

[Macierewicz, interrupting] As I say, the most important thing is good atmosphere; the most important thing is the awareness of common interests; the most important thing is that there is common awareness that members of the broad independence, patriotic, right-wing camp must cooperate in one way or another. By the way, I think I am optimistic and realistic on this issue. Our interests are convergent, there is a common enemy, and I am convinced that there will be cooperation.

[Woyciechowski] Do you exclude the possibility of change in the next few days [words indistinct]....

[Macierewicz, interrupting] By no means, because I said we will appear as a voters' committee. This creates very broad possibilities for other solutions. However, we will no longer refrain from action depending on any kind of talks. That is why it was said at news conference with Jan Olszewski, almost a week ago, that the Coalition for the Republic will be taking part in the elections in this form. What was very important for us. I would say it was a kind of a strategic-political idea. The issue was about the Coalition for the Republic, this patriotic front being complete so that it include, apart from urban groups, the peasant movement. Well, unfortunately that was possible only for a very short time.

[Woyciechowski] You are talking about [words indistinct] with Janowski.

[Macierewicz] I am also talking about NSZZ [Independent Self-Governing Trade Union] of Individual Farmers. This could be implemented for a short time. There was a period when all factors were present. Unfortunately, differences between Mr. Kaczynski and Mr.Janowski eliminated the presence of factors in one place. We will always be open to this formula, but we will not wait any longer. That is why it was said that the Coalition for the Republic will be taking part in the elections alone, based on signatures, according to the formula of voters' committee.

[Woyciechowski] A moment ago, while talking about cooperating with Kaczynski, with Kaczynski's party, you used the term common enemy. Who is your common enemy?

[Macierewicz] Generally speaking, the common enemy are those political forces which want Poland to follow the formula designed at the Round Table. I am glad you took this line because I think the mass media devote too much attention to detailed discussions. Kaczynski to the left, or.... [pauses]. This does not make much sense. It does not show enough of our social, political, and economic activity. In the past 10 days, Mr. Jan Olszewski conducted a tour of Olsztyn Voivodship, he was in Cracow Voivodship, and Nowy Sacz Voivodship. Yesterday, he was at the Polkolor factory. I had the opportunity to have very interesting and important talks with representatives of the Republican Party in the United States. I met President Reagan, Ms. Jean Kirkpatrick, and Jack Kemp. This is a broad spectrum of American politicians. I think that these factors are more important here. Besides, cafe "Switezianka" was recently opened where one can meet us this afternoon at five o'clock, these are twice-weekly meetings. So I think these are more important elements of our presence on the political scene than talks which obviously will have to end in some form of cooperation.

[Woyciechowski] What will the Parliament look like after the elections? Who will form coalitions? With whom will the Coalition for the Republic wish to enter into coalition?

[Macierewicz] Well, we have to wait and see who will be in the Parliament and how will the Parliament look. I fear that contemporary predictions are a waste of time.

[Woyciechowski] Can you say that you are already convinced that the Coalition for the Republic will cross the magic threshold of 5 percent? Is there doubt that it may not achieve it?

[Macierewicz] No, there are no such doubts. It will definitely exceed the limit.

[Woyciechowski] What are the election slogans of the coalition? Could you present them now?

[Macierewicz] First of all, we wish to focus attention on what is in the interest of the Polish nation. We will try to see to it that the Sejm consists of honest people with clean hands. We will also emphasize a wide range of economic issues and promote Poland of open opportunities. These are the issues on which our election slogans will be focused. However, the program is much wider because, aside from economic issues; the problem of unemployment and low pensions; the issue of opening the Polish economy, we wish to create opportunities for everyone. First of all, we will demand that property that was once stolen be returned to its owners. I mean property stolen in the 1940's, and property stolen in the 1980's by those who started nomenclature companies. Our program also includes other issues, such as foreign affairs and everything that must be present through normal policy. Once again, our election slogans are: Poland of open opportunities, politicians with clean hands, and Polish national interest as the main policy concern of a responsible government.

[Woyciechowski] This morning I have read, probably in RZECZPOSPOLITA, a short statement which you had given. You said that the Coalition for the Republic does not have the money for elections. The coalition's coffers are empty. Why does the right wing have no money?

[Macierewicz] Well, I did not say that it would not have it. I only said that it does not have it now. Indeed, the right wing was denied the chance to get money. Now, you are asking why. The answer is simple. The right wing consists of people who for 50 years were relegated to the margins and were sent to prisons. In 1989, when the Round-Table Accord was being prepared, all money was handed to groups that we now know as SLD and other post-communist parties. Therefore, we do not have money [words indistinct]. However, this does not concern our current election problems. I can say that the right wing will have the money. There is no doubt about it.

[Woyciechowski] What will happen on 17 September, when Colonel Kuklinski comes to Poland?

[Macierewicz] The date marks the anniversary of Soviet attack on Poland. Therefore, I believe that this will be most important. Of course, if Colonel Kuklinski visits Poland, it will be very nice of him. However, as I said, this the anniversary of the terrible Soviet attack on Poland.

[Woyciechowski] In which constituency will you run during the election?

[Macierewicz] I do not know this yet.

[Woyciechowski] The lists have not been closed yet?

[Macierewicz] No, they have not. However, I could answer this question if we met tomorrow. Tomorrow morning the political council will make the final decisions on these matters.

[Woyciechowski] Thank you very much.

[Macierewicz] Thank you.

[Woyciechowski] Do you think the election campaign in Poland has started?

[Macierewicz] Yes, of course it has. I have not changed my views, which I expressed here two months ago. Mr. [Andrzej] Milczanowski [minister of internal affairs] opened his election campaign on 4 June in the Warsaw Castle Square [reference to police action against demonstrators]. Unfortunately, this is a good example of what may be seen before Polish elections. This has not changed. Fortunately, this event was assessed in similar light by press, politicians, the people of Warsaw, and the spokesman for human rights. Everyone agreed that the law was broken, it was broken by Mr. Milczanowski.

[Woyciechowski] Do you think that the elections are very important for Poland? Will much change in the Sejm and in our political life? Or will most things stay as they were?

[Macierewicz] Well, yes, I believe that the elections are very significant. They will certainly be much change. I mean, the elections are the last gleam of hope. Either we seize the opportunity to begin constructing a normal, free country, or helplessness—resulting from the Round Table vision of the world and the attempt to restore the power of former communist circles—will smother Poland and relegate it to the level of the Third World. In this sense, the elections are extremely important. Incidentally, the past two days have shown that Russians are putting a lot of pressure on Poland on the issue of transferring Russian troops from Germany to Russia. Well, generally, the geopolitical changes in the East prove how important these elections will be. We may not only be recommunized, in the sense of our internal structure, but also drawn into the Russia's sphere of influence, which is reconstructing its power.

[Woyciechowski] What do you think of opinion polls recently published by the press? The results of those polls differ, but one thing remains constant: The leading position of SLD [Democratic Left Alliance]. Why is it that three years after the revolution an increasing number of people wish to vote for SLD?

[Macierewicz] I am not so certain that more and more people want to vote for SLD. I think it is still common.... [pauses] Well, I think you know how the opinion polls are prepared, everything depends on those who conduct the interviews....

[Woyciechowski, interrupting] Do you think it is simply manipulation?

[Macierewicz] I do not know. I think the main problem is the lack of good methodology. Anyway, it is almost the rule. For the past three years the situation has been very similar. I can mention opinion polls conducted before the previous elections. I have experience in this field because my election committee was ranked at the very bottom to the last day. The truth turned out to be different. Now the situation is exactly the same. To make a long story short, the polls are not very credible.

[Woyciechowski] Are you afraid of BBWR [Non-Party Bloc in Support of Reforms]? Do you think that BBWR may get many votes in these elections, that it may take votes from many parties? Do you not fear that it may dominate the political scene?

[Macierewicz] No, I am not afraid of BBWR as one of my competitors. However, I do fear it as a certain policy adopted by Mr. Lech Walesa. I am afraid because it may evoke only the following associations: Before the war, [WWII] BBWR [Non-Party Bloc of Cooperation with the Government] was an attempt to introduce dictatorship in place of parliamentary rule. Therefore, it is a certain symbol, it shows the direction chosen by Mr. Walesa. In this sense, I am afraid.

Union of Real Politics Registers Electoral List

LD0508221493 Warsaw TVP Television First Program Network in Polish 1730 GMT 5 Aug 93

[Relayed by TV Polonia Network]

[Text] The Union for Real Politics [UPR] has gathered a sufficient number of signatures to register its national electoral list. Its candidates want to change the Polish law to the pattern that was in force in the United States at the start of the century. They will not, on the other hand, be seeking any government posts.

[Coorespondent Maciej Sojka] The UPR, which was initially considering the possibility of joining the coalition being constructed by Jan Olszewski and Jaroslaw Kaczynski, will run in the elections independently. The collection of the required number of signatures indicates, in the view of the party representatives, that the UPR is not just a party of features-writers, but also has its structures and program.

[Begin UPR spokesman Rafal Ziomkiewicz recording] We wish to change the law in Poland to one that is similar to the law in force in the United States at the start of the 20th Century, because this is a legal system that favors the fastest economic development of the country and causes the fastest enrichment of society, of which America today is the best proof. [end recording]

[Sojka] The UPR demands a drastic reduction of the state apparatus. Members of the UPR are bound by a ban on taking government posts, under disciplinary sanction of expulsion from the party.

Economic Chamber Outlines Revival Strategy

WS0608065993 Warsaw RZECZPOSPOLITA in Polish 30 Jul 93 p 6

[Article by E.L.:"The KIG Prescription: Revive the Economy"]

[Text] The revival of the Polish economy is a basic goal of the fundamental provisions of the economic program of KIG [National Economic Chamber]. The means leading to that goal are primarily acceleration of economic growth, development of exports, and limitation of inflation and unemployment. In order to achieve all these desired effects, KIG's chairman Kazimierz Pazgan suggested the following measures at a conference held on the 29th of this month:

— In economic cooperation with other countries: signing treaties with governments of countries where Polish commodities suffer unequal access. The issue is first of all about establishing the proper level of trade with the EFTA countries of Switzerland and Austria. The promotion of Polish commodities is also important, as well as preferences in access to domestic credit and in guarantees for foreign credit. The continuous supply of economic units with necessary information is necessary; the information should concern what kind of merchandise is coming into our market and from where, as well as what kind of merchandise Polish producers have available in order to conduct a policy of preferential treatment of some sectors.

— In the production area: a decrease in price-increasing factors (a decrease in interest rates on credits); changing the tax system, using investment preferences that will facilitate the acquisition of one's own capital and capital for modernization and restructuring of companies; adapting the policy of creeping devaluation of the zloty to the level of inflation—this would result in making imports more expensive and in shifting demand to domestic merchandise. According to KIG, economic results should be the only criterion for evaluating companies.

— Privatization should be a result of restructuring with mechanisms in the tax system being created in advance, so Polish citizens could benefit from the privatization. KIG is in favor of a speedy development of private enterprises, including those created by privatizing state-owned companies. In KIG's opinion, however, those state-owned companies which currently are profitable should not be privatized "on principle." They should be commercialized by being transformed into one-person Treasury partnerships and by introducing supervisory boards.

— Fiscal policy: increasing the state budget's income through improvements in the operation of the customs and fiscal apparatus, including an integration of tax and customs services; tightening the customs border of the country; decreasing the grey area of the Polish economy; increasing the contribution of indirect consumption taxes of an income nature as well as substituting the turnover tax with customs and VAT. The Chamber is against high government increases in the prices of coal, gasoline, gas, energy, etc.

— The law: improvements in economic law and participation of economic self-government in legislative measures.

— Social policy: limiting unemployment. To achieve that purpose, KIG is suggesting tax and credit reductions for investment measures which favor increasing employment, launching public works, giving away of unwanted property on the condition of creating new jobs within three months, and a preferential credit policy for the housing industry.

— KIG supports provisions contained in the Charter of Economic Principles announced by the President's Economic Development Council.

Trade Unionists Call on Workers To Vote for SLD

AU0608093093 Warsaw PAP in English 1753 GMT 5 Aug 93

[Text] Warsaw, Aug. 5—The national conference of the All-Poland Alliance of Trade Unions (OPZZ) activists, at a meeting today, called for mass election turnout and voting for the post-communist Democratic Left Alliance (SLD). Representatives of 49 branch missions of unions affiliated to the federation and the SLD candidates for parliament attended the meeting.

In an adopted stance, the union delegates stressed that elections are the only proper way of implementing basic social and economic reforms. "We will not achieve them by street demonstrations, to which some groupings and professional political players of fringe parties are calling for," the statement says.

Head of the SLD National Election Committee Wlodzimierz Cimoszewicz said that the elections offer an opportunity for the Polish state threatened with continuing the existing policy. He stated that an end should be put to incompetent rule and that the time had come for professionals to exercise power.

The participants in the meeting demanded that the government "immediately implement actions aimed at curbing the deterioration of the economy and eliminating the areas of growing poverty." The OPZZ expects the government to supervise the privatisation process, revive the Polish market and curb unemployment.

According to OPZZ chairwoman Ewa Spychalska, the government does not ensure social security to citizens and the state economy is paralyzed. Spychalska considered the government-proposed programmes of fighting unemployment and pursuing pro-export and industrial policy parts of the electoral campaign.

The OPZZ activists also protested against "the immoral 3 August government's decision to increase by 20 percent the wages of senior administration officials." The unionists termed the move a "blatant example of arrogance and the violation of the principles of social justice."

Also today, Spychalska sent a letter to Prime Minister Hanna Suchocka calling on the government to temporarily remove its ban on meat imports and to intervene in the meat market by buying up meat.

Economic Indicators Continue To Slump

WS0608091793 Warsaw RZECZPOSPOLITA in Polish 3 Aug 93 p 7

[Report by Maria Drozdowicz: "The Economic Situation in July 1993; Third Month of Decrease"]

[Text] July is the third month of decreases in the leading economic indicators. Reasons for the current trend are lower domestic and foreign demand and a seasonal weakening of economic activity during the summer months.

The decrease in domestic orders is caused primarily by a slower rate of increase in the money supply, compared with the second half of last year. The decrease in foreign orders is in turn caused by the lower competitiveness of Polish exports and also by an intensive policy of protecting Polish producers by means of taxes and trade tariffs, which leads to the sale of Polish items being less attractive in foreign markets as compared to introducing the same products in the Polish market.

Output

In July, output indicators suffered dramatic decreases from their June levels. However, forecasts as to output volume over the next three to four months have improved significantly. The indicator of the volume of export output has remained steady. Forecasts for the volume of export-bound output are somewhat better than a month ago.

Portfolio of Orders

In July, indicators for domestic orders deteriorated significantly. Still, forecasts as to its size over the next three to four months are more optimistic. Export orders have remained at the same level for three months. One must recall, however, that the indicator has increased until April of this year. Predictions as to the size of the export orders portfolio over the next three to four months are somewhat better than a month ago.

Prices and Reserves

The rate of price increases in July was more rapid than in June. This acceleration should undoubtedly be associated with the introduction of the value-added tax. Companies do not predict such a high rate of inflation over the next three to four months. The indicator of ready-goods reserves continued its significant decrease. This indicator has been decreasing steadily for the last three months. Similarly, companies predict a decrease in the reserves of ready goods in the next three to four months.

Output Competitiveness

According to company evaluations, profits from export-bound production have been deteriorating systematically since April 1992, in comparison with profits from domestic market-bound production. This undoubtedly is a result of the policy of an even stronger protection of Polish market, as well as of the exchange-rate policy. A deterioration of the competitiveness of foreign merchandise on the domestic market speaks for the former factor. The competitiveness of Polish export-bound output in foreign markets is also falling. Companies predict a further strengthening of this trend during the next few months.

Miners' Strike in Jiu Valley Continues

Miners' Leader Warns of 'Scabs'

AU0508164493 Bucharest Radio Romania Network in Romanian 1300 GMT 5 Aug 93

[Text] The second miners' shift replaced the previous one in the courtyard of the Petrosani Public Pitcoal Corporation this afternoon. The new meeting between the miners and their leader has also brought several new elements in the unfolding of the strike, our correspondent Dorin Corpade reports. The audience was told that the government was again invited to send a delegation to Petrosani, headed by the prime minister, so as to participate in the dialogue requested by the employees of extracting units.

Copies of this invitation extended to the government were also sent for the sake of information to the presidents of the two Parliament chambers. The new invitation was made on behalf of 14,400 miners that are participating in a sit-in, by rotation, in the courtyard of the Pitcoal Corporation.

During the dialogue between the miners and their leaders in the second part of the day, the miners' leader said that there are some indications that some miners are having second thoughts about the strike. Nevertheless, if they were actually going to break the strike, then they would be held responsible before the entire Jiu Valley. If the scabs are going to take even a small step against the general strike, I will warn you in time and we will see what we should do with them.

The miners were then conveyed warm greetings and wishes for good health and success on Miners' Day, as well as wishes for an enjoyable vacation. Should they be needed during their vacation, the sirens in the mines will be sounded. This will happen if the government representatives answer this invitation and accept a dialogue in Petrosani, even on Miners' Day.

BNS Demands Dialogue

AU0508193393 Bucharest Radio Romania Network in Romanian 1700 GMT 5 Aug 93

[Text] In an open letter today addressed to the prime minister and also faxed to our studios, the National Trade Union Block [BNS] assesses that Romania's prime minister has adopted a rigid and provoking stance regarding the labor conflict in the Jiu Valley. Therefore, the BNS operative bureau requests that a governmental and interministerial delegation should urgently go to the headquarters of the Petrosani Pitcoal Public Corporation, where the aforementioned conflict is taking place, to find mutually convenient solutions, above all solutions that are acceptable for the national economy and the population, and publish, under the signature of both conflict sides, the progress and final results of the negotiations so that the miners are correctly informed and public opinion is not mislead. Evoking the fact that the prime minister has repeatedly refused to answer requests formulated by the BNS, the open letter expresses the hope that after the extraordinary congress of the BNS scheduled for 11-13 August 1993, the BNS will be able to initiate actions sanctioning such stances and make it impossible for the executive, quote, whichever executive we will have in the autumn, unquote, to ignore the requests and wishes of the BNS member unions.

The letter is signed by Matei Bratianu on behalf of the BNS operative bureau.

Coal To Be Imported

AU0508193693 Bucharest Radio Romania Network in Romanian 1700 GMT 5 Aug 93

[Text] Mihail Petrescu, director of the General Secretariat of Renel, the Romanian electric power public corporation, has been authorized to issue the following communique via ROMPRES:

At the beginning of the miners' general strike in the Jiu Valley, brown coal stocks in the warehouses of Renel in Mintia, which receives its necessary brown coal from the aforementioned mines, amounted to 180,000 metric tons, whereas warehouse capacity for winter stocks amounts to 450,000 metric tons.

According to orders of the Ministry of Industry, those winter stocks have to be attained by the beginning of October, as the total amount necessary for the winter amounts to 580,000 metric tons.

Under such circumstances, in order to be able to ensure electric power and heating furnished to the population from its energy plants, Renel has no other choice but to import 400,000 metric tons of brown coal to complete its stocks. The imports will alter the balance of payments between Renel and its consumers.

Furthermore, as a consequence of the interruption of brown coal deliveries owing to the Jiu Valley miners' general strike, the quantity of the imported brown coal will have to be increased further, totaling approximately 450,000-500,000 metric tons, which will obviously cause more costs to be paid in hard currency.

Subsidies Increased

AU0508204293 Bucharest Radio Romania Network in Romanian 1900 GMT 5 Aug 93

[Text] The Ministry of Industry has faxed us a message saying that during the weekly cabinet meeting on 4 August, the 1993 state budget has been readjusted, which also refers to the subsidies allotted to the extraction industry.

According to the government ordinance on the 1993 state budget readjustment, the Petrosani Pitcoal Public Corporation is to be granted total subsidies worth 91 billion lei, which is appropriate considering the difficult working conditions in the Jiu Valley mines.

The communique expresses the hope that the increased subsidies approved by the mentioned cabinet meeting will eliminate misunderstandings in the Jiu Valley. The communique also mentions the fact that the Ministry of Industry has been authorized to reassert the executive's readiness to continue the dialogue with the league of the Jiu Valley miners' trade unions to solve the labor conflict.

PD(FSN) Spokesman on Strike

AU0508123793 Bucharest Radio Romania Network in Romanian 1000 GMT 5 Aug 93

[Text] The situation in the Jiu Valley is the result of deceitful promises made to the miners by representatives of the ruling party, Mr. Adrian Vilau, spokesman of the Democratic Party (National Salvation Front) [PD-FSN], said at today's weekly news conference of that party. He specified that the Vacaroiu government is now paying for its bankrupt economy. Mr. Adrian Vilau also emphasized that he has information that the government has concluded the necessary preparations before taking the leadership of the Jiu Valley pitcoal public corporation to court.

At the news conference, Mr. Radu Berceanu, PD(FSN) vice president, referred to the extraordinary parliament session as a Social Democracy Party of Romania bluff and propaganda maneuver, aimed at concealing the fact that the ruling party wanted to prevent discussion on the corruption report when this was a topical subject.

Within the same context, Mr. Radu Berceanu explained that, although numerous people were heard and a great deal of research work had been carried out in connection with the airbus deal, the commission did not find any proof of corruption in this case.

In concluding the news conference, Mr. Radu Berceanu made a few assessments on the importance of the Moldova Parliament's rejection of the CIS Economic Adherence Treaty. The PD(FSN) vice president emphasized that the government now has to intensify aid for the Republic of Moldova and extend a firm and obvious hand to our brethren across the Prut River, our reporter Elena Perdichi informed us.

Prosecutor General Views Ties With Iliescu

AU0508153293 Bucharest ROMANIA LIBERA in Romanian 2 Aug 93 p 3

[Interview with prosecutor general Vasile Manea Dragulin by Dana Balint; place and date not given: "It Goes Beyond My Competence"]

[Excerpts] [Balint] Mr. Prosecutor General, I would like to discuss relations between the Ministry of Public Affairs [as published] and the Presidency, whether they exist and how they are?

[Dragulin] Surely, the Constitution and our laws very clearly describe the tasks of the Ministry of Public Affairs on the one hand and those of the president on the other. These relations are exclusively legal ones and if you want to read into it a certain subordination to the Presidency, I can assure you that this does not exist. [passage omitted]

[Balint] What are your relations with President Ion Iliescu?

[Dragulin] My personal relations, I think, are normal, and I could say, the way they should be. As a matter of fact, I have no tense relations with any people. [passage omitted]

[Balint] I would like to clarify whether they are official relations or relations of friendship. Have you known the president for a long time?

[Dragulin] Oh..., no..., official. I came to know the president when I was appointed as a judge. That is when I saw him for the first time. [passage omitted] And our relations are strictly official. [passage omitted]

[Balint] Mr. Prosecutor General, is there any cooperation, or rather collaboration, between the Prosecutor's Office, the police, and the Romanian Intelligence Service [SRI]?

[Dragulin] That goes without saying. First, it is stipulated by our law. There are activities of the Ministry of Public Affairs and the Ministry of Interior that overlap. The prosecutor general supervises the entire penal activity of investigation. [passage omitted] Our independence vis-a-vis the Ministry of Interior and SRI is absolute and I do not note any interference in the way the prosecutor general decides on solutions in each individual case. As far as SRI is concerned, certainly, the law compels us to maintain relations of collaboration. In certain cases, such as listening in to telephone conversations, this cannot take place without approval from the prosecutor general; and extension of the listening time is also done with the approval of the prosecutor general. Thus, starting from the law on the organization of SRI and national security, our collaboration extends to all levels.

[Balint] Let us depart from general considerations and discuss the "case of communism" in concrete terms. Is there any hope that those guilty will receive their punishment?

[Dragulin] Yes! There is hope that the culprits will receive their punishment. A telling proof in this respect is the fact that the Ministry of Public Affairs has adopted a clear attitude. [passage omitted]

[Balint] General Florica [former chief of Financial Oversight Body] has been placed in reserve...

[Dragulin] If you refer to Defense Minister Spiroiu's news conference, I would like to tell you that, at least as far as the MONITORUL OFICIAL is concerned, I did not see him placed in reserve. The fact that it is possible for the minister or leadership of the Ministry of Defense to propose that someone be placed in reserve is one thing; now the president has to authorize it. Placing someone in reserve is done upon the proposal of the ministry and through a decree by the president.

[Balint] As far as corruption is concerned, at a news conference, Mr. Vacaroiu said that it will continue for a long time in Romania.

[Dragulin] That goes without saying! It was not invented on 22 December [1989]. I can tell you that I came across cases of corruption in 1965 when I was appointed and I will probably leave this institution and it will still exist. [passage omitted]

[Balint] What is the prosecutor general's opinion on the reintroduction of the death sentence.

[Dragulin] I am against the reintroduction of the death sentence. Its big drawback is that it is irreversible. Its effects can never be repaired. [passage omitted] I do not want to say that Christian ethics do not permit such a thing. We are Christian people. But I have the sensation that someone—after making us handicapped people—would like to turn us into a nation of criminals and to reintroduce the death sentence. Among the European countries, it is still only in force in Turkey. And the Turks also have been given a deadline by the Council of Europe; they have to decide by the end of 1993. We have decided.

Trade Union Leader Warns of 'Social Explosions'

AU0508194593 Bucharest AZI in Romanian 2 Aug 93 p 8

[Interview with Victor Ciorbea, president of the Fratia Free Trade Union Confederation, by Constantin Mesenschi; place and date not given: "It Is Necessary To Form a Coalition Government"]

[Text] [Mesenschi] A new round of talks will be held soon with the government. How are Fratia's current relations with other trade union organizations?

[Ciorbea] We are especially interested in our relations with other nation-wide union confederations. Alfa is one of those confederations, and that is why we agreed to support our alliance currently represented by the National Consultative Council [CNC]. As far as our relations with the National Union Bloc [BNS] are concerned, we expect them to precisely define their position during their extraordinary congress scheduled for August. After that, we can also decide exactly what kind of relations we would like to assume with that union confederation. I do not think it is worth discussing our relations with other union organizations because we feel that they are quite insignificant.

[Mesenschi] Could you comment on some of the issues included in the protocol signed [with government representatives] on 6 May that have been solved in the meantime?

[Ciorbea] I will try to summarize the stipulations of that protocol. Concerning our request that the reference fund should be eliminated so that salaries can increase freely, I can tell you that this request has been met to a great extent. In this sense, the government has issued ordinance number 1/1993 concerning the moderation of salary increases and has adopted government decision number 299/23 June, which allows for specific public corporations and commercial companies to resort to the admissible salary fund [fondul admisibil de salarii]. On the other hand, absolutely nothing has been done to develop a new mechanism by which to establish the new admissible salary fund, which should have been done by 31 July. Concerning the revocation of the finance minister's orders referring to the taxation of various allowances, I can tell you that the government did not do much. They should have consulted with a commission set up by representatives of all involved ministries and those of trade union confederations who were supposed to modify and supplement bill number 32/1991 referring to income taxes. The government merely sent us an answer mentioning that on the basis of their suggestions, Parliament has passed bill number 35/1993, which replaces bill number 32/1991. However, they did not consult with the union confederations while developing the suggestions they sent to Parliament. As for our request that a daily basket of necessary products for the population should be developed so that the standard of living could be more accurately assessed, the government promised that by the end of this month they would send us all the necessary information. Without that information, we are unable to negotiate issues related to the daily basket of products, minimum wages, and social protection for the disadvantaged social categories. Related to our request that minimal salaries should be 30,000 lei at the national level and that the government should guarantee that such salaries are actually paid, the executive considers that it has fully done its duty. However, there are many commercial companies that have not yet paid their employees the salary indexations established [by the government] for May, let alone those due for the months of June and July. Finally, the last issue refers to the sectors paid from the state budget, which I do not think I need to elaborate on. In that sector, we witnessed a ridiculous income increase of 16 percent, of which 7 percent is made up of bonuses granted for length of service.

[Mesenschi] What proposals did the government suggest to you before the beginning of new negotiations, and what are your comments on them?

[Ciorbea] The proposals and documents they sent us merely refer to the salary indexations that are necessary, owing to the abhorrent price hikes. They suggest a 20-percent indexation of the salaries. In our opinion, that percentage is much lower what they should have normally suggested.

Their forecast assessing that prices will merely go up by 23 percent over the third term of this year seems to be a bad joke. They demand that we express our point of view, although we have no information concerning the basket of products our citizens need each day—on the basis of which we could start examining the situation—we do not know the exact rate of the salary increases, and we have no exact prognosis of what is expected to happen over the next three months. Under such circumstances, all our assessments are based on our experience as consumers.

[Mesenschi] Finally, I would like you to assess the evolution of the economic and social situation over the autumn months of this year.

[Ciorbea] We are currently experiencing an economic and social crisis, and even a political one, which is more critical than ever after December 1989. That is why it is necessary to form a coalition government with the participation of the opposition political forces, by means of which to ensure a much larger political basis and support, including the one coming from the large trade union confederations. If not, unless necessary political, economic, and social measures are taken, I think that the current situation will lead, whether we want it to or not, to social explosions that no one can control.

PD(FSN) Accuses TV of Being Politicized

AU0508181393 Bucharest COTIDIANUL in Romanian 2 Aug 93 p 2

[Statement by the Democratic Party Press Bureau; place and date not given: "The Democratic Party (National Salvation Front) Accuses the Television"]

[Text] The Democratic Party (National Salvation Front) [PD-FSN] notes with concern that, under its current management, Romanian Television is firmly being politicized. It is obvious that an increasing number of broadcasts are deliberately promoting retrograde—that is, Stalinist and Ceausescu-type ideas—as well as extremist positions on political, ideological, and cultural issues. Zealous correspondents, taken out of mothballs overnight, and very select collaborators, guided by the television's general director, are systematically trying to vindicate the pseudo-values of the "golden era": state property and a supercentralized economy, damaging egalitarianism, and many other things.

At the peak hour, Romanian Television General Director Paul Everac eulogizes Nicolae Ceausescu's so-called talent of monumental constructor, while Culture Minister Mihai Golu quotes [him] without quotation marks, thus fully assuming the concept of the same Nicolae Ceausescu on culture and art.

The PD(FSN) believes that in order to curb the television's turn toward the unmistakable style of the "golden era," it is necessary to speedily promote the radio-television law and, as an immediate measure, it is necessary to suspend the current management from its position.

Democratic Party Press Bureau

Scholarships for Romanians in Moldova, Ukraine

AU0508120493 Bucharest ROMPRES in English 0924 GMT 5 Aug 93

[Text] Bucharest ROMPRES, 5/8/1993—Romania will grant more than 2,500 scholarships for Romanian ethnics in the Republic of Moldova and Ukraine in the school year 1993-1994, reads a decision of Romania's Government, published in the OFFICIAL GAZETTE of July 22. The Republic of Moldova is granted 975 scholarships for high education, 975 for higher education, 100 for doctor's degrees (mandatory attendance), 100 for doctors' degrees (extramural), and a great number of scholarships for training courses of one to nine months. Ukraine is granted 100 scholarships for high schools, 250 for higher schools, 10 for doctor's degrees (mandatory attendance), 10 for doctor's degree (extramural) and many scholarships for training courses of one to nine months.

The government decision specifies that the accommodation of all the students who will be granted scholarships will be made free of charge in students hostels that the Romanian state will pay the students two-way tickets (in Romania's territory) to travel home and back on holiday time, that the students will have free town transport. The decision also says that the children of those who are granted scholarships can attend kindergartens or secondary schools in Romania free of charge.

Army Commander Delic, Gen Briquemont Hold Talks

LD0508224993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2200 GMT 5 Aug 93

[Text] Rasim Delic, supreme commander of the Bosnia-Herzegovina Army, received General Briquemont, the UN Protection Force [UNPROFOR] commander for Bosnia-Herzegovina, and his associates late this evening. General Briquemont informed Commander Delic about the results of today's talks with the representatives of the aggressor side, Karadzic and Mladic. He stressed that the representatives of the aggressor side pointed to the possibility of the withdrawal of their forces from Bjelasnica and part of Igman, as well as the possibility for the opening of roads leading from Sarajevo to Zenica and from Sarajevo to Mostar. The two men also discussed conditions for reconstruction of the republic's infrastructure.

General Briquemont gave his impressions of his visit to Igman and Bjelasnica, and spoke about ways to implement the agreement on the withdrawal of the aggressor's forces from Igman and Bjelasnica.

It was agreed to schedule a top-level military meeting for 6 August at which all the possibilities for the realization of the latest UN representatives' [as heard] initiative would be reviewed. This would certainly accelerate the talks conducted in Geneva, the UN forces' commander for Bosnia-Herzegovina assessed.

Croats, Muslims Fire on UN Troops in Central Bosnia

LD0508183993 Belgrade TANJUG in English 1755 GMT 5 Aug 93

[Text] Belgrade, August 5 (TANJUG)—British members of the U.N. Protection Force (UNPROFOR) were on Thursday under Croat-Moslem cross-fire near Gornji Vakuf, in the central part of the former Yugoslav republic of Bosnia-Herzegovina, Bosnian Serb news agency SRNA has said.

The agency quoted UNPROFOR sources as saying the "blue helmets" had returned fire.

UNPROFOR said that passage of humanitarian convoys had been suspended until further due to intensified fighting in central Bosnia and that six tank trucks of oil for Sarajevo had remained in Metkovic, a town in southern Croatia.

Three civilians were seriously wounded by Croatian sniper and machine-gun fire outside the city hospital in Konjic, northern Herzegovina, on Thursday. The hospital itself was shelled.

A large number of residential buildings have been burned down and the civilians, who are moving about the streets, are in great danger, said U.N. observers.

The central Bosnian town of Maglaj, controlled by Bosnian Moslems and encircled by Bosnian Croats, is practically without water, electricity, food and medical supplies, U.N. observers said. The wounded are dying due to a shortage of medical supplies and poor hygiene in basements where they are accommodated.

Bosnian Croat forces based in Todorovici have begun systematic destruction of the centre of Maglaj, according to the UNPROFOR report.

Economic and housing facilities have been shelled by heavy artillery, while the remaining civilians have been under sniper and machine-gun fire.

Izetbegovic Proposes Joint Muslim-Croat Republic

LD0508142293 Belgrade TANJUG in English 1346 GMT 5 Aug 93

[Text] Belgrade, August 5 (TANJUG)—Bosnian Moslem leader Alija Izetbegovic has proposed a joint Moslem-Croat republic within the future union of Bosnia-Herzegovina. Izetbegovic was quoted by Moslem Radio Sarajevo on Thursday as saying to Croatian President Franjo Tudjman in Geneva that the future Moslem-Croat republic within the union of Bosnia-Herzegovina should have a single territory from the Adriatic Sea to the Sava River."

The radio also reported that the proposal had so far been rejected by Croatia.

Last week in Geneva leaders of the three warring sides—Moslem, Serb and Croat—reached agreement on Bosnia-Herzegovina as a union of three ethnic states.

Immediately afterwards, however, Izetbegovic made his consent to the agreement questionable by boycotting the resumption of negotiations and making his further participation conditional on the response to a demand in the form of an ultimatum that Bosnian Serbs withdraw from two mountains near Sarajevo, Igman and Bjelasnica, which have of late been under their control.

'Forces From Serbia' Move Toward Maglaj, Tesanj

AU0608113593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 6 Aug 93

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 6 August carries in its regular 17-minute newscast reports on continued fighting in the Republic.

An unidentified reporter from the Seven South Operative Group says that "during the past 24 hours, the Chetnik artillery pounded civilian settlements, taking no notice of the cease-fire. The latest offensive against the areas in the Seven South Operational Group zone of responsibility is being personally overlooked by the criminal Momir Palic, a general who has no qualms about using Luna missiles and chemical agents against civilian targets." Further on he says that "the Chetnik forces are concentrating their manpower and technology [words indistinct] for today. The plan of the offensive includes preventing the UN Protection Force [UNPROFOR] and other international institutions from entering these free territories at all cost." He says that "orders issued to General Palic permit the use of all means for massive extermination of civilians, even the shelling of hospitals. Shelling of the free territories of Tesanj, Maglaj, and Doboj continued this morning. The village of Svije was hit hardest. The aggressor is still shelling it as we report this. A regrouping of tanks and forces from Serbia, the so-called Yugoslav Army, and Seselj's and Arkan's outlaws toward Maglaj and Tesanj has been sighted."

From Zenica, Smajl Terzic reports that "apart from mainly provocative small arms' and antiaircraft fire along all the defense lines on the (?Visoko)-(?Brezan) front, and the shelling of the region of Dolom, Jasen, Korito, Visnjica, Karaula, and (?Budozelj), the other areas in the 3d Corps zone of responsibility have been mainly quiet in the past 24 hours."

Reporting from the 5th Corps Information Service, Halid Alijabdic says that in Bihac "the night and morning have been relatively quiet." He says that "along with regular small arms' provocation" the enemy used M-84 machine guns and antiaircraft machine guns. From their strongholds on (?Alen), Mracaj, and (?Grascanica) they targeted the villages of (?Coluk) and Krsmani, situated around Bosanska Krupa." The correspondent also says that "intense movements of the Serbian military vehicles have been sighted."

Gen Mladic: Army Will Not Take Sarajevo

LD0608104293 Belgrade TANJUG in English 0948 GMT 6 Aug 93

["Pool" item]

[Text] Novi Sad, August 6 (TANJUG)—Commander of the Bosnian Serb Army, Gen. Ratko Mladic confirmed Friday his units would not be taking Sarajevo and stressed that there was no reason for threats from the U.S. and NATO to bomb Serb positions in the war-shattered former Yugoslav Republic of Bosnia-Herzegovina.

"In what way are we threatening the U.S. and its interests for them to threaten us with military intervention when the Serb Army is not on foreign soil but has for a year been guarding its cities, villages, hearths, and graves," asked Gen. Mladic in an interview to the Novi Sad daily "DNEVNIK."

"I hope that those who might attack us do not think that the war will not spread," Gen. Mladic said and asked "why are those who started all this not punished," mentioning as the chief culprits President of the former Yugoslav Republic of Croatia Franjo Tudjman and leader of Bosnian Moslems Alija Izetbegovic.

The Moslems wanted this war and they must bear the consequences, assessed Gen. Mladic and asked "why were not NATO and the U.S. aroused by the massacre against the Army in Dobrovoljacka Street in Sarajevo," when Moslem forces fired also on a U.N. personnel carrier.

Several score of soldiers and officers were killed and wounded in the attack of Moslem paramilitary forces in May last year on a column of the former Yugoslav Army (JNA) in Dobrovoljacka Street. The JNA column was pulling out of Sarajevo under UNPROFOR [UN Protection Forces] protection and with personal guarantees from Alija Izetbegovic.

"What do they (U.S. and NATO) want now—we are neither carrying out offensive actions towards Sarajevo, nor do we want to take it," said Gen. Mladic and recalled that the Serb side had in the meantime made a number of concessions, including withdrawal from the Sarajevo Airport last summer, the same airport the Moslems are now using to arm its forces.

"Our army will wait for the accord of politicians and will respect it as was the case thus far, but no one can order withdrawal without a previous accord and peaceful solution," concluded Gen. Mladic.

With a view to unblocking the Geneva peace talks on Bosnia- Herzegovina, the Bosnian Serbs have agreed to place under UNPROFOR control Mt. Igman and Mt. Bjelasnica, southwest of Sarajevo, which they took over the past five days as the Moslem artillery was pounding incessantly the Serb sections of Sarajevo from these two mountains.

Agrees to 'Framework of Withdrawal' From Igman

AU0608093993 Paris AFP in English 0930 GMT 6 Aug 93

[Text] Geneva, Aug 6 (AFP)—Bosnian Serb military commander Ratko Mladic has agreed to a "framework of withdrawal" of his troops from the strategic Mount Igman overlooking Sarajevo, UN mediator Thorvald Stoltenberg said in Geneva Friday.

Under the plan, agreed with the commander of UN forces in Bosnia- Herzegovina, General Francis Briquemont, local Serb commanders will meet with UN Protection Force (UNPROFOR) officials in Sarajevo to discuss the practical aspects of the withdrawal, Stoltenberg said.

Briquement and Mladic had met in Pale, near Sarajevo, on Thursday.

Karadzic: UN To Be Allowed on Igman

LD0608053893 Belgrade TANJUG in English 0514 GMT 6 Aug 93

[Text] Belgrade, August 5 (TANJUG)—President of the Serbian Republic in Bosnia-Herzegovina (R.S.) Radovan Karadzic said Thursday night that Serbs would allow UNPROFOR [UN Protection Force] on some strategic points on Mt. Igman and Mt. Bjelasnica (near Sarajevo), but that they (UNPROFOR) must not let any one side to attack Sarajevo from these mountains.

Commenting Bosnian Moslem leader Alija Izetbegovic's statement that "withdrawal of Serb forces from Mt. Igman and Mt. Bjelasnica was a test for their total withdrawal from Bosnia-Herzegovina as a whole," Karadzic said that the "Serb army would surely withdraw from Bosnia-Herzegovina—if that is how the Moslem state is to be called—to the R.S. when a final solution to the Bosnia-Herzegovina conflict is reached."

In a statement to the R.S. radio, Karadzic said after an accord was reached on the constitutional arrangements for Bosnia-Herzegovina the accord on the maps would also have been reached had not someone in the west, most probably from Germany, prevailed on the Moslems to sabotage the talks, the Bosnian Serbs' new agency—SRNA—reported.

"The U.S. threats to bomb Serbs are a false hope for the Moslems, because never has anyone created a state for another, and no one will create it for the Moslems," noted Karadzic and assessed that even if there was a military intervention the balance of forces would not have been disturbed, and that the continuation of war would have been most damaging to the Moslems.

Karadzic again denied reports of the Moslem and some western media about a split with commander of the main headquarters of the R.S. army, Gen. Ratko Mladic, recalling that he (Karadzic) was the supreme commander of the R.S. army and that Gen. Mladic was working on his orders.

Karadzic Confirms Withdrawal

AU0508193493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 5 Aug 93

[Text] Here is what Dr. Radovan Karadzic, president of the republic of Srpska, said after the agreement was made to withdraw the army of the republic of Srpska from Mt. Igman and Mt. Bjelasnica:

[Begin Karadzic recording in English with superimposed translation into Serbo-Croatian] I, Dr. Radovan Karadzic, agreed that we should withdraw our forces from strategic locations on the mountains of Igman and Bjelasnica to their former positions and to allow UNPROFOR to monitor these regions so that it can be ensured that no other force may enter the region. More precise details on the method of monitoring the area should be agreed upon at a meeting that should be held among all sides under General Briquemont's command.

Second, as a first point of solving the situation in Sarajevo, I agreed to accept the opening of two routes into and out of Sarajevo for UNPROFOR, the UN High Commissioner for Refugees, for commercial use, and for civilians. These two routes are: Sarajevo-Zenica via Rajlovac, Ilijas, and Visoko, and Sarajevo-Hadzici via Ilidza. We intend to open another route to Mostar as well. However, this will depend on the military situation in Jablanica and Mostar. The bridge on the Bijela should also be repaired.

The methods of opening and monitoring these routes will be examined at the meeting on 6 August.

Third, I have agreed, that is, reiterated our wish to establish a joint commission. This will be a permanent joint commission for all these matters.

I congratulate Gen. Briquemont. We have agreed on three issues. First, we agreed about Igman and Bjelasnica. Second, we agreed to open the city of Sarajevo immediately. We are not going to wait for the entire package of the plan. We agreed to open the city of Sarajevo as soon as possible. Third, we agreed to have a permanent working group for Bosnia-Herzegovina. [end recording]

Muslims Say Serb Offensive Continuing

AU0508185793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 5 Aug 93

[Report by First Corps Press Service]

[Text] Today also [words indistinct] of the aggressor and his heavy artillery [word indistinct] strategically important Mt. Igman. Regardless of all the warnings by the world, Karadzic's and Mladic's Chetniks would not halt their offensive on this part of the front for so much as a moment.

Throughout the day, the target of their [word indistinct] was the (?Obesanjak) peak on Mt. Igman. This peak was buried under shells of all calibers. The situation was particularly fierce in early afternoon. A barrage of large-caliber missiles was merely the prelude to several attempts at an infantry breakthrough by the aggressor. The defenders on Mt. Igman, who are aware of the significance of this battle, readily awaited the Chetniks, withstood their attacks, and inflicted considerable losses in manpower and equipment on them. Since they could not accomplish anything with infantry, the Chetniks brought their artillery back into play in the afternoon. They pounded Mt. Igman and Hrasnica with a multiple rocket launcher from Borije. Tank, howitzer, and mortar shells, fired from the aggressor's positions in Lukavica, (?Galica Brdo), and [word indistinct], were landing all over Mt. Igman, Crnovrh, and Malo Polje.

[words indistinct] that the aggressor continues the fierce pounding using all available weapons, our lines have not changed.

UN Launches 'Lifeline' Project for Sarajevo

AU0608112493 Paris AFP in English 1006 GMT 6 Aug 93

[Text] Sarajevo, Aug 6 (AFP)—The U.N. military commander in Bosnia-Herzegovina, General Francis Briquemont, is to discuss plans to build a relief route to Sarajevo with Moslem and Serb military leaders at the airport here Friday.

The Bosnian Serb military leader Ratko Mladic and the leader of the mainly-Moslem army Rasim Delic will discuss U.N. proposals for project "Lifeline" aimed at constructing a supply route before winter sets in.

General Briquemont will also contact Croat forces about his plans.

The proposed U.N.-controlled route would go from the southern coastal town of Metkovic where the main U.N. High Commissioner for Refugees supplies warehouses are located through Sarajevo, Zenica and the northern town of Tuzla.

This route is currently blocked in several sections as a result of fighting between the three warring parties.

The road which would take three months to build has been requested for more than a year by U.N. forces

Bosnian Serb leader Radovan Karadzic offered Thursday to withdraw from the strategic heights overlooking Sarajevo to allow a road to be opened to supplies and commercial traffic.

Sarajevo Continues To Have No Electricity, Gas

AU0508164893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 Aug 93

[Text] There is again no electricity in Sarajevo today. According to the reports from the Bosnia-Herzegovina Electricity Board, the repair work on the transmission lines scheduled for today has been postponed until tomorrow because the aggressor's side did not allow the team of electricians and the UN Protection Force [UNPROFOR] to enter the field.

The repair to the transmission lines is only the first condition for the restoration of electricity to the town. (?The transformer in Rajlovo), which is under the aggressor's control, also needs to be reconnected.

Sarajevogas has no new reports about the supply of gas to the town. The UNPROFOR team whose task it was to establish what sort of breakdown was involved and why the pressure in the pipes was low has not submitted a report to the relevant department of Sarajevogas, and, therefore, it is not known when supplies will improve.

Serbs Preparing New Strikes on Bjelasnica

AU0608093893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 6 Aug 93

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 6 August carries in its regular 14-minute newscast the following reports on fighting in the Republic.

Reporting from 2d Corps Press Center in Brcko, Hamiz Deronjic says that "the aggressor is continuing his attacks on the free territory of Brcko. The aggressors' mortars targeted all defense positions overnight. Civilian targets in Dubravice Donje also came under attack. Around 2200 [2000 GMT] last night, the aggressor accompanied his small arms' fire with Pragas and Bofors." He adds that in the morning the "aggressor tried to infiltrate a subversion group in the area of Vitanovici, but the attempt was thwarted. Fierce shelling of Vitanovici followed. Movements of the aggressor's tank units were sighted, but there were no attempts at breakthroughs. The defense lines remain unchanged."

Reporting from Maglaj, Hajrudin Sermic says that "fighting has abated somewhat in the past two days. However, small arms provocations and snipers could be registered at all times. This intensified in the evening hours, supported by [words indistinct] with tanks on [name indistinct], Lipe, and Krusik. The aggressor launced 82-mm mortar shells and guided Maljutka missiles against the defenders' positions in the region of [name indistinct], (?Krmno), and [word indistinct]. The defenders did not respond. Civilian targets in the town were the target of the aggressor's artillery and antiaircraft guns." Further on, he adds that "the morning is marked with constant provocation from small arms, and antiaircraft machine guns along the defense lines."

Reporting on a poor line from Zavidovici, Viktor Boban says that "yesterday, the joint aggressor began a strong infantry attack against the defense lines. The Bosnia-Herzegovina Army fighters responded fiercely and launched a counteroffensive that caused the aggressor great losses in manpower." He adds that " from 0615 to almost 0800, the Serbian aggressor and the extremist units of the Croatian Defense Council used two tanks and 122-mm howitzers to shell the city."

Reporting from the Olovo Press Center, Velid Djindo gives an account of yesterday's fighting. He says that "120-mm mortars pounded the industrial zone, while 60-mm and 82-mm mortars pounded the front lines of the Olovo defenders. The first morning hours are marked with sporadic small arms' fire. Defenders are not responding, while defense lines remain unchanged."

An unidentified correspondent reports from the 3d Operative Group information service in Kladanj and says that "during the last 24 hours, the aggressor shelled the inhabited parts of (?Ravni) and (?Sarici) with 120-mm mortars. The defense lines also came under fire later on. The night was relatively quiet, with only sporadic small arms' and antiaircraft gun fire. The morning is quiet."

An unidentified correspondent from the 1st Corps Information Service says that on the Sarajevo front, the Serbo-Montenegrin army was active overnight. He says that "in the late evening hours, the aggressor fired eight shells from a portable mortar, and two grenades from the direction of the airport toward Dobrinja. Several Tromblon mines were fired against the Bosnia-Herzegovina Army defense lines. The night was relatively quiet, with only sporadic small arms' fire." He says that "on the Mt. Igman front, there are no signs that the aggressor is preparing to withdraw from the occupied territories of Mt. Bjelasnica and Mt. Igman. Reports say that the Serbo-Montenegrin aggressor is preparing for new artillery strikes. It is thought that several slopes on Mt. Bjelasnica could be the target of these attacks: Medjedja Glava and Velika Vlasina."

Hadzici, Gracanica Under Intense Serb Attack

AU0508123093

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1200 GMT on 5 August carries in its regular 3-minute newscast two reports on the fighting in Hadzici and Gracanica.

Jadranka Milosevic reports from Hadzici that "after a sinister three-day peace, this front has again erupted. Since 1100 [0900 GMT] this morning the enemy has frantically been pounding the civilian targets in the towns and villages of the free Hadzici Commune. Howitzers, mortars, and tanks have been landing every 30 seconds on the positions of the Bosnia-Herzegovina Army fighters on this front. They aggressor is also using heavy machine guns, Praga [truck-based weapons system], antiaircraft guns and machine guns against the defense positions. At the moment and it is 1300 now, fierce shelling is still under way."

In his report from Gracanica, Omer Delic says that "these are no longer only provocations but rather enemy offensive operations, that is, combined infantry-artillery attacks. The worst situation is in Lukavica, as the Serbian aggressor has been shelling it all day. Over 300 tank and howitzer shells have landed on this town. Early this morning a convoy of motorized vehicles was registered moving along the Doboj-(?Lipac) road, suggesting preparations for a new offensive."

Fighting in Gornji Vakuf; Croat Mass Grave Found

LD0508143293 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 5 Aug 93

[Report by Zdenko Vranjes]

[Excerpt] A large part of central Bosnia is quiet today. Muslim units are launching sporadic attacks on the Novi Travnik defense lines. Heavy fighting is in still in progress in Gornji Vakuf and both sides are using all available heavy weapons.

According to the HVO [Croatian Defense Council] command for central Bosnia, EC monitors have reported the discovery of a mass grave of massacred Croats, with 32 bodies dug out so far. They also said that about 500 Croat civilians are imprisoned in seven camps in the Bugojno municipality.

Radio hams from Novi Travnik reported that UNPROFOR [UN Proctection Force] soldiers came under Muslim attack near the Vitez-Travnik-Novi Travnik crossroads. UNPROFOR troops responded to the attack. [passage omitted]

Zagreb Reports 'Fierce Street Battles' in Mostar

LD0608095493 Zagreb Radio Croatia Network in English 0805 GMT 6 Aug 93

[Text] There were fierce street battles in Mostar last night. Muslim forces attacked the Hotel Ero, the post office, and a former prison. In battles that lasted for several hours, the Croatian Defense Council was able to repel the attacks and push back the Muslims, thereby strengthening their own positions.

Vice President Ganic Interviewed on War Situation

93BA1292C Zagreb VJESNIK in Serbo-Croatian 20 Jul 93 p 9

[Article by Domagoj Draskovic: "Three Fingers on the Crescent"]

[Text] Is the "sweet call of Orthodoxy" really so irresistible that you cannot wrench free of it? Depends on who and where. But there is no doubt. For Ejup Ganic, member of the Presidency of Bosnia-Herzegovina, Orthodoxy as an orthodox Christian faith is closer to Islam than Catholicism. That is, this is what Ganic said in a lengthy interview for the magazine SARAJEVO, which is in the Arabic language and script (!?!) and is published in Ljubljana. So, the last issue of SARAJEVO contained an article which we are reprinting in its entirety. Here it is:

The magazine SARAJEVO met Mr. Ejup Ganic, vice president of Bosnia-Herzegovina, on the edge of events at the world conference on the Balkans and the problem of humanitarian aid to the Bosnian Muslims.

The conference was held recently in Ljubljana, the capital of Slovenia, for the purpose of elucidating the real causes that are behind the tragedy of the Muslims in Bosnia-Herzegovina and dealt with the danger threatening other Muslims in the Balkans and the obstacles that stand in the way of distribution of international humanitarian aid and aid from the Islamic countries to those who need it within Bosnia-Herzegovina, and especially the region settled by a majority of the Muslim population, which for several months now has been under cruel Serbian siege.

Mr. Ejup Ganic has an openness which is not characteristic of other politicians and represents a minority within a large association of traditional parties. That is why we took advantage of his openness to ask him whether he is really ready for us to publish what he says, because the magazine SARAJEVO, in spite of its independent editorial policy, has its own self-censorship and is afraid of excessive openness, not because it would hide anything from its esteemed readers, but so as not to expose its informants to interrogation.

Our informant believes that there are several factors behind the consent of the Muslims to the international peace plan: The most important is the great international pressure, and the second is that they knew that the Serbs would not consent to the conditions set for them: unity of territory, a unified army, and a strong central government.

Ganic: Yes, we made a mistake (the Muslim government) when we joined the Croats against the Serbs. We should have joined the Serbs, but when the war broke out it was already late, especially after all those crimes which the Serbs committed against Muslims.

In order to clarify this truth, which up to now has not been well-known, Ganic declared that the Muslims in Bosnia-Herzegovina are Serbs by origin in view of their distant ancestors, and as to religion, they were close to the orthodox religion before they opted for Islam. Also, the orthodox doctrine in the church is eastern in origin. Its roots originate in the Arabic region, the cradle of Christianity, and therefore cooperation with them is easier than with the Catholic religion. There was also a marked and much stronger social interaction with the Serbs than with the Croats. He added that tens of thousands of Muslims still live in Serbian areas, and Serbs also live in Muslim areas, as the fact revealed when the problem of Srebrenica arose and the decision was made to exchange citizens of Srebrenica for citizens of Tuzla (a non-Serbian community). But the Tuzla Serbs refused to leave the city which was under Muslim administration, because they were fully enjoying all their rights and did not confront any hostility from the Muslims.

Ganic also said that those carrying out an armed attack against the Muslims in Bosnia-Herzegovina are not Bosnian Serbs except for some whose number does not exceed 10 percent, while the rest are from Serbian and Montenegrin social milieux such as the unemployed and common criminals seeking adventures and killing for a small amount of money and executing the policy of the hostile and fascist government in Belgrade.

He also explained that the Yugoslav Army is another party responsible for the crimes in Bosnia-Herzegovina, indicating that the Muslims also have a large share of that blame, because it has been discovered that numerous Muslims are still in the ranks of the Army, professional soldiers who never had any particular religious or ethnic sentiments and consider themselves officers in the Yugoslav Army.

Mr. Ganic was also open concerning another equally important question, and that is the attitude of the Islamic countries toward the problem. He emphasized that those countries had offered extensive political and diplomatic aid, but the humanitarian aid was much less than the need required, so that it is almost not worth mentioning.

He then added: "We are not angry about that, because it is better for Bosnia-Herzegovina if the problem remains in the European domain and so it does not get drawn into a religious conflict, especially because the Muslims in Bosnia-Herzegovina have only recently discovered their Islamic identity after the slaughter and displacement. Now they should be satisfied with establishment of that identity through full political and diplomatic aid, not only at the official level, but also on a people-to-people basis.

The Bosnian official said about the role of Europe in resolving the crisis that its real form was not fitting for the European states, not only in view of their capability, but also in view of the public expression of principles in favor of cooperation among nations and minorities.

The American administration was ready for the leading role for many reasons: First of all, the fact that the United States is the only leading world power which has assumed responsibility for what it calls the New World Order, which stands in the way of establishing a strong state with hostility toward a small state, and second is its power to expose the deception which the Serbs in Belgrade had practiced in Bosnia-Herzegovina.

Ejup Ganic believes that armed intervention has become indispensable in order to halt the bloodshed in his homeland, and it ought not to come down only to certain air attacks, but at the same time the Muslims should be armed so as to reestablish the necessary strategic equilibrium and bring the war to an end quickly and send in ground forces for the final battle. Ganic also believes that the next measures which could help to bring the war to an end are these: withdrawal of units of the Yugoslav Army from the territory of Bosnia-Herzegovina, destruction of the channels bringing military aid from Serbia, especially the six bridges over the Drina, and the dropping of American paratroops and troops from the other Western countries in order to knock out Serbian strike points, the lengthy article in the magazine SARAJEVO concluded.

It is the inalienable right of everyone, including Ejup Ganic, to seek and find his ethnic and spiritual roots wherever he likes. But if this person who until yesterday was a "Yugoslav," and then a Muslim, finds his roots in Orthodoxy in his third metamorphosis, that is his affair; however, to say that it was a political mistake and mistake in the war for the Bosnia-Herzegovina Muslims not to have joined the Serbs politically and militarily instead of the Croats, is out-and-out intrigue and a dangerous pouring of oil on the flames of the war already blazing all over Bosnia-Herzegovina. Nevertheless, these "Orthodox-Serb" roots are not meeting with any response on the other side. It is enough to recall what the descendants of those "remote" common ancestors did in Bijeljina, Fojnica, Srebrenica, and other cities to realize the utter political and moral monstrousness of these judgments of Ganic's. Well, just as anything can be said on paper, so human honor is capable of anything, even transformation of this kind and the nebulous boasts of Ejup Ganic, who until yesterday claimed to be a Yugoslav.

Republic of Srpska Foreign Minister on Maps

93BA1244B Belgrade NIN in Serbo-Croatian 9 Jul 93 pp 30-31

[Article based on interview with Dr. Aleksa Buha, foreign minister of the Srpska republic, by Jovan Janjit; place and date not given: "The Serbs in the Ardennes"]

[Text] Lord Owen, cochairman of the Conference on the Former Yugoslavia, said in an interview, commenting on the recent negotiations on the future arrangement of the former Bosnia-Herzegovina: "What always happens is that at the end of the day the map becomes a very big problem."

That problem is in fact understandable, because it is not possible to satisfy all demands. The Serbs and Croats have understood that, and they have already had some talks on exchange of territories. However, the real problem over (faster definition) of the map still remains with the Muslims, who still believe in some intact Bosnia and Herzegovina.

Croatian President Franjo Tudjman also spoke in Zagreb at his regular monthly press conference about possible exchanges of territory in the former Bosnia-Herzegovina the other day. In answer to a question about his comment on the statement by Momcilo Krajisnik, M.A., president of the people's assembly of the Srpska republic, to the effect that the Serbs in the former Bosnia-Herzegovina are ready to give the Croats an expansion of Dubrovnik's hinterland for access to the sea, Tudjman said that "that had been discussed" in one of the meetings. According to him, from what could be concluded from the entire presentation, the problems of demarcation can be resolved through total solution of the problems of the former SFRY.

Dr. Aleksa Buha, foreign minister of the republic of Srpska, says that the maps of tripartite Bosnia and Herzegovina still are not known for two reasons: because the Muslim position on the new formula for resolving the conflict in the former Bosnia-Herzegovina is still not known and because principles to govern that demarcation have not yet been agreed on. Of course, Buha says, ethnic principles, principles of geography and communication, historical and cultural principles, economic principles, and other principles come into consideration.

The Serbian side is particularly interested in reaching agreement as soon as possible on the principles governing the demarcation so as to be done with the dictum about the high percentage of territory held by the Serbs.

"As is well-known, it is said of the Serbian side in this domain that it holds an intolerably high percentage of territory, which is being used to constantly 'pressure' the Serbs," Buha says. "We are proposing to get away from that abstraction, which at first says one thing, but when you look a bit beneath the surface—something altogether different. Several times in Geneva I cited the example of Zurich Canton, which embraces perhaps five or six percent of all of Switzerland. That canton has a population of one million, out of Switzerland's total of six million, but it possesses a third of the economic power. It was not in jest, but in pain that I proposed that they set up two Zurichs for us and then they could have that high percentage of the territory."

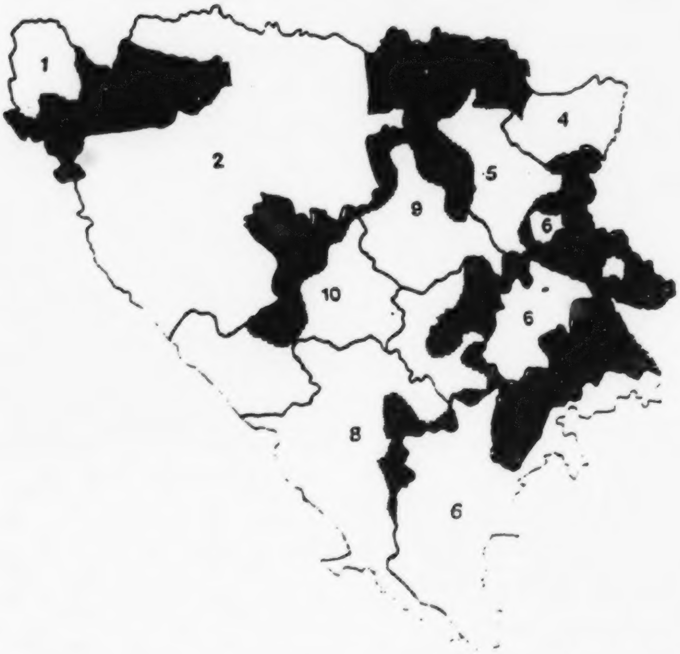
Aside from the example of Zurich, Dr. Buha went on to say, one can also refer to the example of France's regions. For instance, on the one hand the Paris region Ile de France has an area of 12,000 square kilometers and a population of 10 million inhabitants, and they possess 40 percent of the total economic might or wealth of France. On the other side is Champagne Ardennes, a region which has an area greater than 40,000 square kilometers and about the same population as the republic of Srpska.

Paris—Bosnia

"If France were in a similar situation to ours," Buha said, "then those in Ile de France, according to the present logic of the international community, could say that the population of Champagne Ardennes, because of the large territory, has the advantage. However, this is not true, that Paris region does nevertheless have the advantage. Bosnia-Herzegovina Muslims, then, have several Paris regions—they are Tuzla, Zenica, and Sarajevo—and we are still Champagne Ardennes."

The regions in the former Bosnia-Herzegovina being offered to the Muslims, according to Dr. Buha, are "Parisian" because they contain more than half of the industrial and energy facilities, communications, housing, and other property of the former Bosnia and Herzegovina, which are much more valuable than mere territory, especially when you look at territory like Herzegovina, for example.

"Apart from all that," Buha continues, "we must also take into account the requirement of international public law, according to which those territories on which genocide was committed cannot and must not pass into the hands of those who committed that genocide. On that



Shaded areas show territories from which the Serbian Army would have to withdraw in order to respect the borders of provinces as envisaged by the Vance-Owen plan.

basis, we could seek the right even to those territories to which we would not be entitled on the ethnic principle and the 1991 census."

As for the Serbian demands for exchange of territory, Buha says that so far they have been expressed concretely at two points. The Serbian part of the very center of Sarajevo, where about 100,000 Serbs live, is being offered to the Muslims in exchange for Gorazde and Srebrenica. An outlet to the sea, from Prevlaka in the direction of Cilipi, about 20 km or so, is being demanded from the Croats as compensation for expansion of the hinterland of Dubrovnik.

Splitting Up Sarajevo

In response to the Serbian proposal that the center of Sarajevo be divided between Serbs and Muslims, if the authorities of Alija Izetbegovic do not accept the exchange for Gorazde and Srebrenica, Lord Owen said that this territory is too small for division. The Serbian side responded to that with an offer to give a 10-fold larger territory, but all of Sarajevo to be left to the Serbs. (This exchange does not take into account Sarajevsko Polje, which is held by the Serbs, where a second city would be built if Sarajevo proper is left to the Muslims.)

The Croatian demands are much greater than the Serbian demands. They are seeking from the Serbs not only the hinterland for Dubrovnik, but also to get as much as possible in the Sava Valley, where they are particularly insisting on Bosanski Brod. In addition, they are also insisting on Kupres, probably to have better passage to central Bosnia.

In central Bosnia, fierce fighting is taking place at the moment between the Muslims and Croats. This is not just a fight for strategic space, but also for many industrial and military installations and other important wealth.

According to many assessments, the present battles in the valley of the Neretva between erstwhile allies are the result of Muslim efforts to gain access to the sea. Those present efforts of theirs are not predominantly based solely on gaining that territory (because they still have in mind an entire Bosnia-Herzegovina), but on capturing a port on the Adriatic through which they would get arms for further warfare.

The position of the international intermediaries, as far as we know, is that the Muslims ought to have an outlet both to the sea and to the Sava so that they would not be surrounded between Serbs and Croats. The Serbs, from what Buha says, respect that demand, and they are offering the Muslims a corridor to reach the Sava at Brcko or Samac. Also, judging by the statement of Franjo Tudjman, the Croats are also ready to provide the Muslims a free zone in the port of Ploce, which then implies a corridor from Ploce to Sarajevo.

That kind of solution, if the Muslims accept it, might also satisfy the international intermediaries, because, as Lord Owen says, "provided we can obtain good guarantees for a corridor, this (Muslim region) will be a vital republic."

If that kind of interchange of solutions is achieved, then the only remaining issue would be Cazinska Krajina, which would have no territorial connection to the remainder of the Muslim state. But even here there are solutions. Dr. Aleksa Buha says that in a future consideration and in the future peace all passages will be free to anyone who has good intentions and is not engaged in criminal activity.

Degoricija Says Croatia Willing To Resume Peace Talks

LD0508190293 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 5 Aug 93

[Excerpt] Slavko Degoricija, head of the Croatian state delegation to the talks with Serbs from Knin, has once again received Ambassador Knut Vollebaek, deputy chairman of the international conference on former Yugoslavia. After the meeting, Degoricija said Croatia agreed to resume the talks on reaching a cease-fire agreement. The starting point is the draft agreement, already discussed in Geneva. All agreements, Degoricija stressed, must be in accordance with UN Security Council resolutions, especially Resolution No. 847. [passage omitted]

Krajina Serbs Invite UK's Rifkind, Hogg To Visit

LD0508174693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1116 GMT 5 Aug 93

[Text] Belgrade, 5 Aug (TANJUG)—The foreign ministry of the republic of Serb Krajina [RSK] today sent a letter to the British Embassy in Belgrade proposing that the embassy should mediate with the British Government to send Minister of State Douglas Hogg and Defense Minister Malcolm Rifkind on a visit to Krajina. Hogg and Rifkind are at present visiting "some parts of former Yugoslavia," the letter says.

The RSK foreign ministry recalls that the purpose of their visit to the RSK would be to provide the most convincing picture of "all difficulties concerning Serbian-Croatian relations, which can become a springboard for spreading the conflict outside the borders of the former Republics of Bosnia-Herzegovina and Croatia."

The fate of Europe, the letter to the British Embassy reads, is linked with that of the Balkans, especially after the U.S. President's statement that he would attack Serbs in the Srpska republic, although out of the three warring sides representatives of this nation are the only ones who are prepared to negotiate. We are relying on the wisdom of your statesmen and are convinced that they will accept our proposal for the exchange of information, the letter says in conclusion.

RSK Reports Croats 'Preparing Fresh Aggression'

AU0508155493 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 5 Aug 93

[Text] Fighting has resumed on the northern Dalmatian front after 15 days of peace. Danko Peric reports from Knin:

[Begin Peric recording] Since yesterday on the Krajina and Croatian fronts the Croatian Army has been most frequently attacking [place name indistinct]. Korenica was attacked on several occasions during the night, and more than 60 shells fell on the region. According to the Lika Corps Command (?of the Serbian army of Krajina) [words indistinct] from this place that it was shelled a few days ago for the first time since the outbreak of war. The Headquarters of the Serbian army of Krajina announced that great material damage was caused in last night's shelling of Korenica and considers the attack to be a serious provocation by, as the announcement put it, Tudjman's unruly troops, which do not intend to meet the obligations set in the Erdut agreement. The Croatian Army is preparing fresh aggression against the Serbian Krajina. Proof of this is that, apart from Korenica, they have also attacked civilian targets in Teslingrad and Vrhovine, according to the Press Center of the Headquarters of the Serbian army of Krajina. According to the same source, there were also some provocations in the Banija region. There were also some low-intensity provocations on the Vrlika line, while some antiaircraft guns were trained on the Velika Glava- Djevrske line, causing fires to break out in Velika Glava, in the hamlets of (?Bujko), Travice, and Sonkovic. As of midnight, (?they) attacked [word indistinct] positions in (?Skradin) hinterland and on the brink of Petrovo Polje below Drnis. [end recording]

Fighting in North Dalmatia Resumed

LD0508122293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1046 GMT 5 Aug 93

[Excerpt] Knin, 5 Aug (TANJUG)—After a lull which lasted almost 15 days, fighting between the warring sides has resumed on the north Dalmatia battlefield.

According to a statement issued by the main headquarters of the republic of Serb Krajina army, less intense fighting has been taking place at the Vrlika-Sinj part of the front, in the Drnis area, and in the Skradin hinterland. Croat forces used incendiary ammunition in the attacks, causing fires, and then targeted the fire fighters.

According to the command of the Serb forces, fierce artillery attacks have been launched on Korenica, Plaski, and Teslingrad. Korenica was hit by 60 artillery shells while Plaski was targeted with 40 shells. It has been learned that huge material damage has been inflicted on Korenica. One woman was wounded in Korenica and a child was wounded in Teslingrad. [passage omitted]

Croat Council Condemns Destruction of Bridge

LD0508184993 Zagreb HTV Television in Serbo-Croatian 1730 GMT 5 Aug 93

[Text] The Council of National Defense and National Security held its 18th session, chaired by [President] Tudjman, in the presidential palace today. The council discussed the results of the negotiations being held in Geneva on a peaceful solution to the Bosnia-Herzegovina crisis as well as the situation in the occupied territories of the Republic of Croatia.

Condemning in strong terms the latest destruction of the Maslenica pontoon bridge by the rebel Serbs' artillery fire from an area protected by UN Protection Force

[UNPROFOR], the council stressed that everything will be done to repair the bridge as soon as possible so that this vitally important link for Croatia can be opened to traffic.

As regards today's repeated bombardment of the Maslenica bridge area and the disruption in its reconstruction in the presence of UNPROFOR officers, the council warns that by violating the cease-fire in such a totally unprovoked and uncontrolled way, extremist groups are trying to incite combat conflicts in Croatia, thus diverting the world public's attention from the escalation of the crisis in Bosnia-Herzegovina.

This also contravenes the agreements and promises made by the local authorities in Knin to UNPROFOR representatives as well as the agreements reached at the Geneva conference on the need and willingness of all the sides involved to normalize Serb-Croat relations in their entirety. While persevering in its policy of resolving all problems in a peaceful way, Croatia will nevertheless take every step necessary if the other side continues to outmaneuver agreements and defy the peaceful implementation of UN Security Council Resolution No. 847.

Serb Shelling Disrupts Damage Assessment

LD0508125693 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 5 Aug 93

[Report by Bozidar Klaric from Maslenica]

[Text] At 1055 Serbian terrorists fired their artillery at the straits of Novsko Zdrilo where, at the time of the attack, divers from the Brodospas shipyard of Split, including a member of the UNPROFOR [UN Protection Force] team for cooperation with the Croatian Army, Canadian Colonel (Hass), were examining the damage inflicted on the Maslenica pontoon bridge on Sunday. A section of the bridge later sank.

Apart from the divers, there were also members of the UNPROFOR and EC observer teams at the straits of Novsko Zdrilo at the time of the chetnik attack, as well as journalists from some 15 news teams. Fortunately, there were no casualties among the 50 people present there.

The enemy's shells destroyed a number of cars and the attack lasted for some 20 minutes. Only after the European observers and members of the UN observer team repeatedly intervened did the attack subside some time after 1200, so we were able to leave Novsko Zdrilo. Throughout this period the Serbian terrorists kept firing shells in the direction of the pontoon bridge and our shelter.

The work that was to have been done today by the Brodospas divers was of vital importance, as their findings should have provided a basis for organizing the retrieval of the sunken barge on the southern end of the bridge.

Serb Separatists Deny Firing on Bridge

AU0508201293 Paris AFP in English 1957 GMT 5 Aug 93

[Text] Knin, Croatia, Aug 5 (AFP)—Serb separatists denied late Thursday reports that they had fired on the strategic Maslenica bridge in southern Croatia.

Colonel Kosta Novakovic, second in command and spokesman for the separatist armed forces, said his troops had "undertaken no actions" near the bridge Thursday.

The denial came hours after Radio Zagreb reported Serb artillery had fired at the damaged pontoon bridge while Croatian engineers were beginning to repair it.

One of the bridge's pontoons was sunk by Serb shelling Sunday and Monday.

The attacks followed Croatia's failure to honour an undertaking to hand the bridge over to UN control by July 31.

Repairs To Begin 6 Aug

LD0508164593 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 5 Aug 93

[Text] It will take only two days to repair the pontoon bridge across the straits of Novsko Zdrilo. The repairs to the bridge will start tomorrow morning, Brodospas manager Vice Batinica said. He also says that the bridge will be opened to traffic as soon as 8 August. The part of the pontoon that was damaged by Serbian forces on 1 August will be replaced by a new barge that is already prepared for assembly. According to experts, the damaged parts of the pontoon bridge have not impaired its overall stability.

Serbs Attack Police Patrol in Pakrac, Kill 3

LD0508215593 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 5 Aug 93

[Report by Ivo Cicin Masansker for Croatian radio from Pakrac]

[Excerpt] At midday today, Serb rebels carried out a terrorist attack on the road between Donji Grahovljani and Dragovici, 6 km from Pakrac. They let two police patrol cars through, but opened fire at the third one from both sides of the road, 500 km from a UN checkpoint. Three Croatian policemen were killed and three seriously injured in the attack, all from the Pakrac police station. Two policemen sustained light injuries. [passage omitted]

Tudjman on 'Improper' Izetbegovic Stance at Geneva

LD0508134493 Belgrade TANJUG in English 1259 GMT 5 Aug 93

[Text] Zagreb, Aug 5 (TANJUG)—Croatian President Franjo Tudjman has described as improper the conditioning by Bosnian Moslem leader Alija Izetbegovic of his participation in the Geneva talks on Bosnia-Herzegovina, by cessation of the Bosnian Serb offensive, while Izetbegovic's troops are simultaneously engaged in offensives in central Bosnia.

"Izetbegovic's excuse for not coming to the talks due to a Serb offensive on Mt. Bjelasnica does not stand, because he simultaneously forgets the Moslem offensive against Bosnian Croats and Croat towns in Bosnia-Herzegovina," Tudjman told reporters in Zagreb on arrival from Geneva late last night.

He said that the Geneva talks on Bosnia-Herzegovina had not been stalled completely and that Co-chairmen of the Conference on the Former Yugoslavia Lord Owen and Thorvald Stoltenberg would try to continue talks with members of the Moslem Presidency of Bosnia-Herzegovina on Thursday.

This body does not have a single position, the Croatian president warned, adding that its Bosnian Croat members did not participate in talks on some questions, while the Moslem members disagree on some matters either.

Tudjman also said that in Geneva he and Serbian President Slobodan Milosevic discussed ways of dealing with the crisis in Bosnia-Herzegovina and normalization of Serb-Croat relations in their entirety.

Serb, Muslim Claims to Croatian Sea

93BA1253D Zagreb DANAS in Serbo-Croatian 9 Jul 93 pp 5-8

[Article by Marko Barisic: "Alija Is Demanding Ploce, and Karadzic Konavle"]

[Text] *The fragile alliance between the Bosnia-Herzegovina Croats and Muslims in the struggle against Serbian aggression has turned into a mutual war for territory. The exhausted enemies, however, are trying to end the wars without winners and losers through negotiations and agreements.*

The struggle for territory is the basis of every war, but the trading in territory is usually done at the end of the war, when the opposing sides, exhausted by the costs of the war machinery and unable to achieve political goals fully by military means, meet at the negotiating table in order to bring an end to the conflict by agreement, through compromises and concessions. When there is no winner or loser in a war, according to the principle "I give so that you give," territories are exchanged in order to complete a state that is strategically, and in terms of communications, favorable for life in peacetime. The recent statement by Croatian President Tudjman "about how certain territorial concessions between Croatia and Serbia were discussed," according to which the Serbian side wants access to the sea "east of Cilip," for which it would be willing to give Croatia "a zone that would strengthen the security of Dubrovnik," considerably upset the Croatian public, and especially the inhabitants of that area in southern Croatia. The Croatian Liberals reacted to that statement on the following day, feeling that "the president's statements are explicitly contrary to the position of the Assembly, which at the last session of both chambers unambiguously confirmed that it opposed any attempt to change the internationally recognized state borders of the Republic of Croatia." Not even the announcement by the presidential office's press representative that Dr. Tudjman was not talking about any sort of "exchange of territory with Serbia for the territory of a third internationally recognized state," much less about "giving up parts of the territory," got rid of the suspicion that such negotiations were nevertheless being conducted. It was precisely the explanation that President Tudjman said at that conference that "Croatia is prepared to consider, which does not also mean accept, any proposal that would seriously and rationally lead to a final settlement of the crisis," with the addition that it is possible only as part of a comprehensive solution in the area of the former Yugoslavia, with Serbia's recognition of Croatia's borders. Many actions have overlooked that key element, deliberately or not. In that context, "the possibility mentioned that a resolution by agreement of the status of the Prevlaka peak could also achieve, on the other hand, the defense of Dubrovnik and the entire Dubrovnik hinterland," nevertheless leads political analysts to the conclusion that these things were discussed at a very high level. In the meantime, the Croatian population located "east of Cilip" was seized by a slow panic, and the local radio station was virtually forced to broadcast a statement by the mayor, according to which the stories about an "exchange of territories" were ordinary speculations.

Linkage of the Horseshoe

The Croatian state is shaped like a horseshoe, and has a relatively long coast, from Piran to Boka, and many islands and ports. Ever since the Turks' penetration its problem has been its "soft underbelly," the region of northwest Bosnia and the former Military Krajina, also known as "Turkish Croatia," where the conquerors of that time settled the people called Serbian today. It has always been difficult for Croatian state-builders to link the north and the south, Slavonia and Dalmatia (which also included Boka until 1918) into one solid whole that would be easily defensible militarily and successfully linked in term of communications. That is still a problem today. Actually, as a consequence of Serbian aggression, Karadzic's state, the republic of Srpska, has been established in the area of northwest Bosnia, and the so-called Serbian Krajina in the area of the Military Krajina. Through the conquest of a corridor through

Bosanska Posavina [Sava basin], these two Serbian parastates have been linked with Serbia. These facts have led to the consequence that Serbian cannons are in a suburb of Karlovac, Tumje, which is only 15 kilometers from the Republic of Slovenia. Along with that "bottleneck" near Karlovac, between north and south Croatia, there is an even narrower one, the one near Biograd. Only five kilometers separate the positions of the aggressor army from the Adriatic highway, the only passable land route through which Dalmatia, Herzegovina, and Bosnia are supplied. If it were cut anywhere, the military and vital resources of those areas would be seriously tested. The above indicates that the Croatian state and its survival should be considered on the basis of the facts, the real relationships of its economic strength and military power, without exaggerated illusions based on an epic concept of war and patriotism. As a rule, epics end in tragedy.

War for Territory

The course of the war on the territory of the internationally recognized state of Bosnia-Herzegovina has led to the actual establishment of three national states. From the beginning, the Serbs have tried to create their own state that would be outside the framework of Bosnia-Herzegovina, and the Croats to create a territorially delimited national community within Bosnia-Herzegovina, and the Muslims to create a "civil" state throughout the entire territory. The consequence of those concepts is that the political leadership of each of those peoples established its own authority exclusively on the territory that it controls, where there was not too much room for the other peoples. The fragile alliance between the Croats and Muslims, which arose as a product of the brutal and bloody Serbian aggression, turned into open warfare after both sides realized that the international community would not punish the aggressor and that they would also have to be delineated territorially as provided by the Vance-Owen plan. The conflict thus occurred over territory, and the big question is whether it would have occurred if, by some chance, the moderate faction and not the hard-line one had prevailed in Croatian policy in Bosnia-Herzegovina, and the civil faction had prevailed in Muslim policy instead of Izetbegovic's religious one.

Many people say that it would certainly have occurred, but then the Serbs would have been defeated; but the eternal pessimists answer them as follows: even with an alliance like that we would not have succeeded without appropriate assistance from the international community, and through the creation of a strong Republic of Bosnia-Herzegovina Army we would only have created one more claimant that would have wanted to break through to the Croatian sea. They furthermore point to the recent events in central Bosnia and northern Herzegovina, from which it is evident that the Muslims opened all the fronts in the struggle against the Croats, while their fronts facing the Serbs are fairly calm. Admittedly, the Muslims are reproaching the Croats in a somewhat similar fashion.

All the Bosnia-Herzegovina Versions

Maps with national territories drawn on them have become popular in the negotiations about Bosnia-Herzegovina. At first they were only brought by the Serbs, but later the rest followed them, and in the end they were even accepted by the international mediators. Best known, of course, is the one that served as the basis of the Vance-Owen plan. It was prepared, at the Croats' suggestion, by Portuguese politician Cutilheiro. The maximum Croatian demands were incorporated in it, mainly the areas of the former Banovina that had a relative Croatian majority in 1939. The absence of a present Croatian majority in some of the municipalities is justified by the fact that the provinces will not be ethnically pure and that not only ethnic criteria were followed in determining them, but also geopolitical, communications, historical criteria.... As is well known, the Croats welcomed that map, the Muslims hesitated in accepting it, and the Serbs rejected it. Today the international community also considers it a failed attempt. The first map that Cutilheiro offered specified a corridor for the Serbs through Posavina, and the triangle of Tuzla, Zenica, Sarajevo, and the area east to the Drina, and the area of central Bosnia, including Konjic, Jablanica, Mostar, and Stolac was specified for the Muslims. Cutilheiro also penciled in Neum for the Muslims as an outlet to the sea. On that map, which Cutilheiro prepared according to the Muslims' suggestions, the Croats only got several western Herzegovina and a few less Posavina municipalities. Its basis was the ethnic composition of the population by municipalities in 1991. The Croats rejected it, the Serbs were suspicious about it because there was neither a corridor nor eastern Bosnia, and the Muslims are trying to implement it today, at least the part concerning central Bosnia and the corridor along the Neretva to the sea. The Serbs always had their own map, but it is changed, i.e., expanded to as much territory as they have conquered in the meantime. All of their maps have included a corridor through Posavina. According to the latest version, which reliable sources claim Milosevic presented to Tudjman, the military status quo is in effect in Posavina, i.e., the Croats would only be left with Orasje; in central Bosnia the Croats would only get Jajce and part of Gornji Vakuf; and the rest of the municipalities in central Bosnia would belong to the Muslims, as well as Konjic and Jablanica. Only a narrow corridor would thus lead from Rama to Jajce, Kupres would be left to the Serbs, and an outlet to the sea has also been drawn in for Karadzic's state: in the area of Prevlaka and Konavle. In exchange for Prevlaka, reliable sources claim, Milosevic would give the hills from Dubrovnik to Trebinje, and in Bosnia, Glamoc and Grahovo. Those for whom it is not clear whether they are reliable or whether they only want to justify steps toward a possible exchange of territories say that in exchange for the area east of Cilip, i.e., for Konavle and Prevlaka, Milosevic would be willing to leave the so-called Krajina in the lurch. As confirmation of their thesis, they also cite the fact that after consultations, Fikret Abdic allegedly also gave his consent to having province no. 1, the Bihac province, attached to the territory of the Croatian state thus shaped.

Bitter Resistance From the Opposition

It is not known how the negotiations on the maps proceeded, who was even involved in them, and how they ended. All the information that we have available applies to sources that we have not been able to verify. President Tudjman allegedly refused that trade, and so Milosevic reminded him of it through the recent bombardment of Konavle and the district Posavina. Izetbegovic's Republic of Bosnia-Herzegovina Army is no longer even concealing that it wants to create an exclusively Muslim state and break through to the sea. The general attack against the Croats in central Bosnia (Fojnica, Busovaca, Zepce...) and the attempt to merge forces from Jablanica and Mostar are an indication of a future bitter battle for the Neretva valley. The latest news, which has also been confirmed by UNPROFOR, talks about street battles in Stolac, Capljina, Ljubuski.... Bosnia-Herzegovina has thus been brought to an end as a state. Its only future is the maps, and the amount of nationally delimited territory on them.

The Croatian opposition (especially the Liberals) reacted bitterly to the president's latest press conference, claiming that he had announced exchanges of territories. They say that he is thus introducing defeatism among the people and demoralizing the army. They warn that this violates the Helsinki charter regarding the inviolability of borders, and that Croatia will create a precedent in this regard. They think that this violates all the efforts made by the international community in recent weeks, when virtually all the more significant world forums expressed support for Croatia's integrity, and that all of this business in connection with a possible trade of territories is just the latest Serbian game, which is aimed at ratifying what has been conquered. They add that the territories in Bosnia-Herzegovina that would be under Croatian control, according to Milosevic's maps, are considerably smaller. In response to a question to some opposition members about what territories in Bosnia-Herzegovina they would put their signature on, since the process of disintegration has been completed, they answer quite firmly, even though their orientations are not far from the Liberals'—only the Vance-Owen maps. They cannot find any alternatives. They do not even want to hear about any exchange of Prevlaka for some hills behind Dubrovnik. And Konavle and Prevlaka in exchange for the so-called Krajina? After a pause, they say that it is an exchange of Croatian territory for Croatian territory.

After these statements by the opposition and the public's upset reactions, it will not be easy for President Tudjman at the next negotiations and possible talks. If there are territorial trades, they will have to be, as he said, "much more favorable territorial concessions to Croatia than it would give." Until then, everything that has been written remains a war story without much importance, and without consequences.

[Box, p 9]

Muslim Desires

For the first time Alija Izetbegovic publicly hinted that he wanted an outlet to the sea in the Geneva negotiations. After the failure of the Vance-Owen plan, it was verbally agreed that three confederal units would be established. Alija then directly asked Croatian President Tudjman: "And an outlet to the sea?" Realizing what was involved, Dr. Tudjman answered that the most that he could get, even with a great deal of Croatian compliance, was a "free Muslim zone" in Ploce.

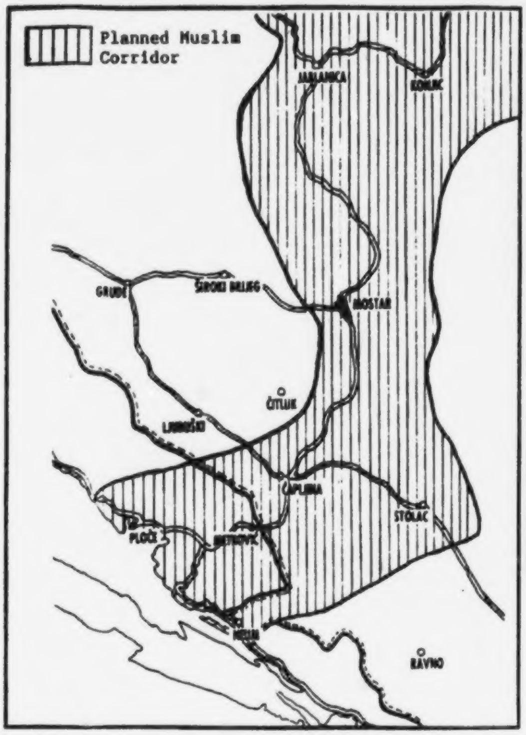
After the latest developments and the partial victories by the Republic of Bosnia-Herzegovina Army over the HVO [Croatian Defense Council], Sefer Halilovic, until recently chief of the Bosnia-Herzegovina Army's Main Headquarters, stated: "It is necessary to keep going until the end, until victory, until the Bosnia-Herzegovina flag is planted in Rudo, on the border with Montenegro, with Croatia, with Serbia, and, God willing, in Ploce." Two days later the Presidency of Bosnia-Herzegovina (?) announced that "it did not have any territorial claims against Croatia."

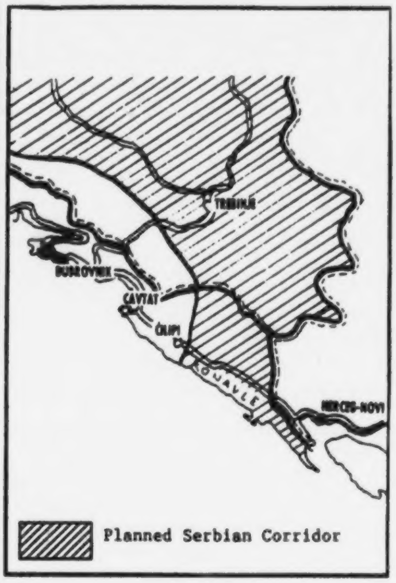
That, of course, did not get rid of the suspicions about the intentions stated, as informed sources claim, by the strongest person in the Bosnia-Herzegovina Army, who was only formally replaced. Nevertheless, it is not clear why Halilovic needed to mention Ploce, the territory of the Republic of Croatia. It would have been more logical for him to mention Neum, Bosnia-Herzegovina territory with a 100-percent Croatian population. This only corroborated the Croats who had said from the beginning that he was a Kosovac [someone from Kosovo] and that if the HVO submerged in the Bosnia-Herzegovina Army, the Croatian areas would be left without any protect and even under Muslim occupation. Izetbegovic's question and Halilovic's statement thus completely defeated both the Croatian opposition and the Croats from Bosnia-Herzegovina who were in favor of an alliance with the Muslims.

[Box, p 10]

Serbian Desires

Back at the beginning of the war in Bosnia-Herzegovina, Trebinja warlord Bozidar Vucurevic said that Bosnia-Herzegovina had about 20 kilometers of territory on the sea, and that it should be equally divided among all three constituent peoples. Since no one paid any attention to his statements, with the help of the Yugoslav army he started to conquer Neum and the Croatian territory south of it. He would have conquered the area south of Dubrovnik and around it, but he did not succeeded in getting even a meter into the Neum municipality.





When the former JNA had to withdraw from the occupied area, because of international pressure and a strong offensive by the Croatian Army, Vucurevic's "state" was left completely blockaded. Since then he has not ceased to whine that he wants an outlet to the sea, now adding that instead of Neum he would also agree to "about 10 kilometers around Prevlaka." Karadzic started to repeat his idea in the negotiations with the Croats, and Milosevic also became involved in the potential Croatian-Serbian trade. There is still a Croatian barracks on demilitarized Prevlaka, and the Serbian navy is in Boka, which is its only safe port at sea.

War Damage Exceeds $23 Billion

93BA1292D Zagreb VJESNIK in Serbo-Croatian 20 Jul 93 p 12

[Article by Ivo Jakovljevic: "The Cost Sheet on Croatian Reconstruction"]

[Text] Even back in the fall of 1991, at the height of the first wave of total Serbian aggression against Croatia, it seemed to many observers and political analysts in the country and abroad that "the Croats are not the Kurds," that is, that in the case of Croatia the West will act much as it did after the Iraqi aggression against Kuwait. The time that has passed since then, with all its tangents to the Croatian drama, is today sufficient witness of the altogether opposite assessment, which is that the fate of the Croatian state, like Kurdistan, which is closer and closer to us, was left to the "balance of power" and geopolitical interests of the great powers, so that again in the case of postwar reconstruction of the country of Croatia there is no hope that this will in any respect resemble the "Kuwait miracle."

So, just as a powerful coalition of Western countries under the sponsorship of the United Nations for military intervention that would destroy the effects of the aggressor's assault was not created to help Croatia before the Serbian aggression, so it is most likely that appropriate circumstances will not be brought about for a joint investment undertaking of the West in this part of the European south to rebuild Croatia.

The Two-Year Balance

Unfortunately, few sensible people see the end of that Serbian aggression against Croatia even today; rather, on the contrary, we can see only a kind of crescendo in which the aggressor, because of the essentially strengthened Croatian defense, no longer has anything to gain, but can still destroy quite a bit. That is why the cost sheet on Croatian postwar reconstruction, which at one time seemed "complete," is today open once again!

According to the last balance sheet of direct war damage, which on the basis of official records the Government Bureau for Macroeconomic Policy and Analysis presented in its publication "Gospodarska kretanja u Hrvatskoj" ("Economic Developments in Croatia"), that bill exceeds the estimate of $23 billion (which still seems modest). After all, the area under temporary occupation includes about 25 percent of the arable farmland (before the war, 35 percent of field crop production took place on that land, which was the best-quality soil), as well as about 38 percent of the forests and forestland. Large losses were also inflicted on the livestock population: 25 percent of the cattle were destroyed or taken away, 28 percent of the swine, 46 percent of the goats and sheep, 40 percent of the horses, and more than 15 percent of the poultry.

The destruction or blockade of transportation routes and the energy infrastructure, according to "Gospodarska kretanja...," meant that economic life in all of Dalmatia was blockaded. At the same time, about 250,000 persons were driven out of the occupied regions of the Republic of Croatia, and their holdings, soil, property, and money were destroyed, plundered, or torched. Up to now, 590 settlements all over the country have suffered, 35 of them razed to the ground, and 34 suffered extensive damage. They include sizable cities like Vukovar, Gospic, Osijek, Pakrac, Vinkovci, Sibenik, Zadar, and Dubrovnik. More than 220,000 housing units, i.e., 12 percent of the Croatian housing stock, have already been destroyed or badly damaged!

The already chronic shortage of electricity in Croatia (which, be it said, is not a petroleum power like Kuwait!) did not result solely from the severe drought this year, difficulties with Slovenian partners concerning the nuclear power plant in Krsko, or even the horrible situation in Bosnia and Herzegovina (on whose territory the Croatian economy at one time financed the construction of many power plants), but also the direct war damage on Croatian soil, where so far 11 thermal and hydroplants and 40 high-tension long-distance transmission lines have been damaged.

As to the highway infrastructure, so far 1,870 km of main highways have been destroyed or damaged, 33 bridges have been destroyed and 24 damaged! Because of occupation or damage, there is rail service on only 67 percent of the rail lines, but because of breaks on the main traffic routes, total traffic is only one-fourth of what it was before the war. In addition, 633 km of railroad electrification equipment, 18 iron bridges, and 66 station buildings have been destroyed, and the entire telecommunications system has been badly damaged.

The Fate of Croatia

Equally dramatic is the damage to the social infrastructure, in that nine large hospitals have been destroyed so far, and several dozen health centers and schools have been destroyed. The irreparable damage to shrines and cultural assets are a special chapter: That is, more than 300 churches and 200 monuments in the highest category have been destroyed!

This cost sheet, which at the moment carries a final amount equivalent to $23 billion (which is equal to threefold the national product for this year or 1.5-fold the GNP for 1990, before the war), does not include so-called indirect damage, which is estimated at between $40 and $60 billion. This is the lost income accumulated from 1991, 1992, and 1993 (let us recall that for two years now the national product in Croatia has been half what it was before the Serbian aggression), the value of looted property of Croatian enterprises, farms, banks, and individuals, and also the hijacked Croatian share of the property of the JNA [Yugoslav People's Army], Yugoslav foreign exchange reserves, diplomatic missions, and many other former federal institutions.

If by some chance the West thinks of sincere cooperation with Croatia, instead of discretely thrusting it into the gravest isolation in its history, punishing it additionally as a victim of Serbian aggression (!), they would already have initiated numerous consortiums to rebuild Croatia. If the transfer of capital for the present would have no security on the territory of Dalmatia or eastern Slavonia, then without any risk whatsoever it could easily pursue its interest and high profit in the regions of Istria, Rijeka, Zagreb, Varazdin, Medjimurje, and other areas of Croatia which are completely safe. While at the outset private investments would not need to be sufficient, there is little that would prevent the IMF, the World Bank, and the European Bank for Reconstruction and Development, all kinds of foundations of Western governments, and the banks of neighboring Western countries from helping the Croatian economy in its reintegration into the European West. In that case, Croatia would be built in just the first five years following the end of the war, with the initial capital coming from abroad in the amount of a possible $10-15 billion.

But as matters now stand, it is quite certain that the Croatian postwar reconstruction will take much longer, that it will be able to count most of all on its public renouncing consumption, and for the highest-quality investments it will rely solely on the potential of its own savings depositors and Croatian emigres. One day, when all the war wounds are cured (if they ever are, if ever anyone has done that), then in Croatia people will really have a right to say that it has decided its own destiny, has itself taken over its burden, and has itself carried it to the other shore.

Law on Relations With Croatia Adopted

93BA1239E Ljubljana DELO in Slovene 10 Jul 93 p 2

[Unattributed article: "Policy Toward the Neighboring State Has Received a Framework"]

[Text] *In addition to the tasks that the government has received, the deputies also expect the Croatian Assembly to show political willingness to regulate mutual relations; inventory of investments.*

Ljubljana, 9 Jul—Without major complications today the State Assembly adopted a resolution of the Republic of Slovenia on relations with the Republic of Croatia. The deputies adopted only two amendments, and rejected most of the amendments from the SPS [expansion not given] and the SNS [Slovene National Party]. Below, we are publishing the entire text of the adopted resolution.

"With a desire to develop friendly and good-neighborly relations between the Republic of Slovenia and the Republic of Croatia, because of concern over the slow settlement of unresolved issues between the states in view of objective differences between the states in domestic political life and their position in the international community, and being aware of the significance of standardizing party policies for the achievement of national interests, the State Assembly of the Republic of Slovenia, in connection with the regulation of relations between the Republic of Slovenia and the Republic of Croatia:

"Notes that the process of regulating intergovernmental relations is complicated, because of political, security, and economic circumstances in neighboring Croatia. Regardless of the situation achieved, the Republic of Slovenia, as a member of the Council of Europe, must realize its foreign policy interests in the international community in accordance with European norms;

"Emphasizes that in the process of settling unresolved issues the Republic of Slovenia will insist on realizing its legitimate interests. At the same time, it points out that the statements and actions of the Croatian side, which can be understood as territorial claims against Slovenia, are seriously harming the search for solutions through agreement;

"Points out the positions and decisions of the Committee for International Relations regarding the border between the Republic of Slovenia and the Republic of Croatia, in which it is stated that the issue of settling problems in connection with determining the border between the two states is crucial for mutual relations.

"Since the Republic of Slovenia is completely fulfilling its constitutional and internationally assumed obligations in connection with the issue in question, the State Assembly, vis-a-vis the government of the Republic of Slovenia:

"Demands that in cases of unacceptable unilateral actions by the Croatian side, it take diplomatic, political, and economic measures and protect the Republic of Slovenia's national interests;

"Emphasizes the Republic of Slovenia's interest in having all the unresolved issues settled by agreement. In this regard, it particularly reminds the government of the Republic of Slovenia of the positions and decisions of the State Assembly committees which propose measures in the process of regulating individual sets of relations, from economic and banking, through energy and ecological, to infrastructural and agricultural relations;

"Expects, from the Assembly of the Republic of Croatia, political willingness to consider the proposed agreements that regulate intergovernmental relations. The State Assembly of the Republic of Slovenia thinks that precisely the next steps in regulating issues of economic cooperation would significantly stimulate other talks and negotiations between the two states;

"Emphasizes that on this occasion as well, the Republic of Slovenia wants to promote the principles accepted in international relations. Through its policy, toward neighboring Croatia as well, Slovenia wants to contribute to stability and security in this part of Europe."

A proposal from the SPS was also accepted for the basic text of the resolution, namely that the government has to prepare an inventory of all Croatian investments in the Republic of Slovenia and an inventory of all enterprises in the Republic of Slovenia in which there is Croatian capital.

Memorandum on Cooperation With EC Signed

93BA1239C Ljubljana SLOVENEC in Slovene 10 Jul 93 p 1

[Article by Marjeta Simunic: "Approaching Developed Europe"]

[Text] Ljubljana—Vojka Ravbar, state secretary in the Ministry of Economic Relations and Development, and France Soubeyran, a secretary from the EC Commission's chief directorate for foreign economic relations, signed a joint memorandum yesterday in Ljubljana, which specifies a program for cooperation between our country and the Twelve for next year.

That cooperation program has been put together within the framework of the agreement on cooperation between the EC and Slovenia that was signed on 5 April 1993 in Luxembourg. Yesterday, in a joint statement for the press after signing the memorandum, the two secretaries emphasized that the primary intention of the first agreement is encouraging a rapid and harmonious rapprochement between Slovenia and the Twelve. In that regard, the partners have agreed that they will focus the program on various activities (seminars, training courses, visits by experts, etc.) aimed at making Slovene circles interested in this more familiar with the past and future course of events in the Twelve. The memorandum signed yesterday also provides for cooperation in a whole series of activities in different areas, for example cooperation among universities, industrial cooperation and the encouragement of investments, a stock program for small and medium-sized enterprises, and cooperation in agriculture, energy, science and technology, and the environment.

[Box, p 1]

In response to our question about what possibilities Slovenia has for closer ties, primarily in comparison with the Visegrad group [Czech Republic, Slovakia, Poland, Hungary], which has already signed associate membership agreements with the EC, Mrs. Soubeyran said: "Slovenia is indisputably also intended for such agreements, since it has all the possibilities in view of EC standards; in my judgment, it even surpasses the countries that you mentioned, so I am optimistic. In view of Slovenia's interest, our main task is to encourage activities that will make adjustment possible for you." Vojka Ravbar also emphasized that our side wants to use the resources that the EC is allocating to Slovenia for better familiarity with the conditions there as economically as possible.

Law Regulating Companies Explained

*93BA1239D Ljubljana SLOVENEC in Slovene
10 Jul 93 p 4*

[Article by Vida Kocjan: "What Does the Law on Economic Companies Bring to Entrepreneurs?"]

[Text] Last year there were about 39,000 enterprises registered in the Republic of Slovenia, of which 84.4 percent were private ones. In June the umbrella economic law, the law on economic companies, was passed. What new things does it bring, and what will change in the operation of all registered enterprises as a result of its being passed?

Not much for craftsmen, in all likelihood, since preparations are being made to adopt a new craft law. Admittedly, its contents will be based on the fundamental economic law.

Of course, changes will occur in the operation of all privately owned enterprises, stock companies.

There will be big changes in the establishment of limited liability companies.

The previous law on enterprises specified the establishment of such an enterprise with an initial capital of 100,000 tolars, or approximately 1,500 German marks, but even before that, ever since 1989, it was less than 30 German marks, of course in the equivalent dinar value. Enterprises sprung up overnight, like mushrooms after the rain, so to speak, actually without any founding, initial capital. Many of these enterprises never got started, and others operated virtually without any legal protection guaranteed in the market and within the enterprise. Individuals were even owners of several enterprises at the same time.

This time it will be different. A limited liability company will have to have basic assets in the amount of 1,500,000 tolars, i.e., 15 times as much as in the past.

The difference is fundamental, but more than three times lower than in neighboring Austria, for example, where the basic capital is at least 500,000 schillings. Nevertheless, a businessman, or according to the law an entrepreneur, will guarantee at least that amount for his business, either through liquidity funds in an account or through the value of capital assets. New enterprises will have to show capital valued in the above-mentioned amount. All enterprises that already arose before the passage of this law will have to obtain additional capitalization by 31 May 1994. An enterprise that does not gather sufficient funds for its additional capitalization and does not have capital assets with the above-mentioned require value, will have to be converted to an independent entrepreneur, an individual. It will be distinguished in terms of the enterprises of a small, medium, or large individual entrepreneur.

The difference among the types will only be in the handing of the business books, and it will not be necessary to declare any capital for registration, since the entrepreneur will guarantee the operation of his enterprise with all his property. In this regard an entrepreneur will be equated with the present status of a craftsman. This also represents a substantive change in the adopted law, expressed primarily in practical life.

Even though the value of the founding capital still does not guarantee solid entrepreneurial operation, according to the law it still brings positive changes in this area in the protection of legal order in the market, and finally, also security for solid entrepreneurs and customers.

To be sure, it is difficult to predict what kind of status conversion the present owners of enterprises, limited liability companies, will decide on. The fact is, however, that for many people the decision will be difficult, and will depend on the current financial situation and on business plans and how serious they are.

Business decisions will also be more difficult in cases in which you guarantee the business with all your property.

The lines at the Statistics Institute, at the department for registering private enterprises, however, will be noticeably reduced.

Federal

Yugoslav Government Issues Statement on Geneva Talks

LD0508144993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1321 GMT 5 Aug 93

[Excerpt] Belgrade, 5 Jun (TANJUG)—The Yugoslav Government today appealed to all three parties in the conflict in Bosnia-Herzegovina to make efforts to bring the Geneva talks to a successful end. In a statement released by the Ministry of Information, the government points out that the talks have stalled under the influence of some countries that encourage the Muslim side to block the peace process. The statement reads as follows:

At its session this morning the Federal Government, presided over by Prime Minister Radoje Kontic, was briefed by Federal Foreign Minister Vladislav Jovanovic on the latest developments at the Geneva conference. He expressed concern over the standstill at the Geneva talks, which can realistically encourage extremists and other militant forces to consolidate their bellicose options in resolving the Yugoslav crisis.

This turnabout at the Geneva conference was brought about particularly under the influence of some members of the international community whose conduct encourages the Muslim side to block the peace talks and to resolve the Bosnia-Herzegovina crisis by opting for war.

The Federal Government maintains that all three sides to the conflict should invest their best efforts to continue and bring a successful end to the peace process within the Geneva conference.

The FRY, as far as its side is concerned, will continue its active involvement in the Geneva conference to bring about a quick and just solution to the crisis in the area of the former Yugoslav Republic of Bosnia-Herzegovina.

At its session today the Federal Government discussed and adopted a report on relations between the FRY and neighboring countries. The government decided to continue its policy of intense contacts and exchanges of opinions with all neighboring countries that demonstrate the same interest. In this context, the relevant federal organs have been tasked with preparing draft revisions or new agreements with neighboring countries. [passage omitted]

Government To Open Talks on UNPROFOR Status

LD0508114893 Belgrade TANJUG in English 1052 GMT 5 Aug 93

["Pool" item]

[Text] Belgrade, Aug 5 (TANJUG)—Yugoslav authorities will open talks with official of the U.N. Protection Force (UNPROFOR) command to discuss a draft treaty negoatiated between the Yugoslav Government and the United Nations and governing UNPROFOR's status in the new Yugoslavia, said a statement released by the Yugoslav Information Ministry.

At a session chaired by Prime Minister Radoje Kontic, the committee for cooperation with UNPROFOR adopted a report on talks with U.N. representatives on conditions regulating UNPROFOR's movement in Yugoslavia and across its borders, said the statement.

The committee said that talks on the application of the government's regulations concerning visas for foreign nationals, including UNPROFOR personnel, would soon be resumed. The committee said the Yugoslav Government was willing to continue its useful cooperation with the U.N. peacekeeping force, said the statement of the Information Ministry.

Milosevic Comments Before Meeting With Mitsotakis

NC0508214993 Athens Elliniki Radhiofonia Radio Network in Greek 2100 GMT 5 Aug 93

[Text] In an exclusive interview with MEGA Channel this evening, Serbian President Slobodan Milosevic said that the Greek Prime Minister Konstandinos Mitsotakis has offered us great help and we have continuous communication with him. I know, Milosevic said, that Greece, and Mitsotakis in particular, are doing everything they can to find a peaceful solution as early as possible. I also know that Mitsotakis supports the continuation of negotiations, he added.

On the prospects of Western raids by NATO or a unilateral military action by Americans, Milosevic said that he believes the reasons for an action such as this will stop and that peaceful ideals will prevail. Finally, on the progress of talks in Geneva, the Serbian president emphasized in his interview that the negotiations are nearing conclusion and that now there exist all necessary conditions for the talks to continue normally. Tomorrow, he added, after discussion of the general issues with the Croat side and the Presidency, we will talk with the Muslim side. We anticipate having a three-way discussion on Friday, Milosevic concluded.

Lilic: Army Standards 'Below Tolerable Minimum'

AU0508151893 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 5 Aug 93

[Text] As we have already announced, Zoran Lilic, the president of the Federal Republic of Yugoslavia and the supreme commander of the Yugoslav Army, paid a visit to the 1st Army Command in Belgrade, accompanied by Defense Minister Pavle Bulatovic and Yugoslav Army Chief of Staff Colonel General Zivota Panic. They were met by the Commander of the 1st Army Colonel General Vladimir Stojanovic and his colleagues. Mijusko Tomic reports:

Colonel General Stojanovic and his colleagues briefed President Lilic on the Army's state of combat readiness and on the problems facing the Yugoslav Army in our country's grave economic crisis. Also discussed were the transformation of the Army, problems of funding, the price of modernization, and the living standards of the officers and men. They also discussed the plight of many members of the Yugoslav Army, who have lost their housing and other property in Croatia, Slovenia, Macedonia, and Bosnia-Herzegovina following the collapse of the former Socialist Federal Republic of Yugoslavia.

In the talks with the president of the republic and the supreme commander ways to solve these formidable problems were particularly stressed. In an interview to Radio Belgrade, which we will broadcast later, President Lilic assessed his visit to the command and units of the 1st Army of the Yugoslav Army as follows:

[Begin Lilic recording] What is most important is obviously that with this kind of technology, combat readiness, and fire power, the citizens of Belgrade can sleep peacefully. However, something else, and that is that—this was voiced today—and unfortunately this is so, the standard in the Yugoslav Army is below any tolerable minimum, and we really have to make decisions about everything. [sentence as heard] We do not have to achieve any great level, but we have to make it possible for these people to live at least as well as other citizens of the FRY. We have to share the difficulties we are in, but we also have to create conditions for the Yugoslav Army to function in the only way that is appropriate for the requirements of the FRY, which is to fight for the maintenance of peace on the borders of the FRY. That is what they are doing.

At the same time, what is very unsettling is the standard of living and, perhaps, the incorrect image of the Yugoslav Army that has been forced on it over a period of several months. I believe that they must help themselves, primarily through their own work, and we from state institutions must also help them to regain the (?trust) that has objectively decreased among the FRY citizens regarding the Yugoslav Army. I believe that—taking into account all the efforts that they are investing, and all the potential that they have, and the knowledge that they possess—and of course, with our help, this will not be too difficult to accomplish, and that we will soon be able to discuss more pleasant things during these visits. [sentence as heard]

This is one of the first meetings, so it is perhaps the most difficult one, but I believe and hope that we will have much more pleasant moments with the Yugoslav Army. What they are doing is that they are themselves aware that they have to work a lot, just as I believe that this is the only way in which we can overcome the situation we are in. [sentence as heard] [end recording]

Biography of New Federal Government Members

93BA1253B Belgrade POLITIKA in Serbo-Croatian 7 Jul 93 p 5

[Unattributed article: "The New Members of the Federal Government"]

[Text] Federal Prime Minister Dr. Radoje Kontic has made changes in the composition of the federal government.

He has appointed M.A. Zeljko Simic, an adviser to the Republic of Serbia president, as deputy federal prime minister.

He has appointed M.A. Vuk Ognjanovic, the present governor of the National Bank of Yugoslavia, as federal minister of finance, and M.A. Radonja Minic, a member of the secretariat and main committee of the Democratic Party of Socialists of Montenegro and a deputy in the Niksic municipal assembly, has been appointed a federal minister without portfolio.

Biography of Zeljko Simic

Zeljko Simic was born on 21 May 1958 in Belgrade. He graduated from the Belgrade Law School (international studies). He has a master's degree in social sciences and is a doctoral candidate.

He was the editor of STUDENT, chief and managing editor of the journal VIDICI, and also participated in the work of other newspapers and journals as an editor.

He is the author of the book "Culture and Politics—Creativity Under the Auspices of Ideology," "Challenges of Disputation—Moral Traps of (Self-) Oblivion," and "Twilight of Dialogue."

He is the editor of a large number of anthologies and monographs in different fields.

He has published more than 100 essays, studies, and articles in domestic and foreign newspapers and journals.

He engaged in graduate studies in England and France.

He has translated from English and French.

He has participated in academic symposia in Paris, Moscow, London, Stockholm, and other cities.

He was a federal deputy in the Federal Assembly's Council of Citizens, and a member of the foreign relations committee. He is a member of domestic and international associations and organizations.

He is the recipient of a large number of awards and prizes, among which the Vuk Prize is the most significant.

He is currently in the position of adviser to the Serbian president and is the chief editor of the journal VIDICI.

He is a member of the Council on Information in the Serbian government's Information Ministry.

Biography of Vuk Ognjanovic

Vuk Ognjanovic was born in 1939. He is a Yugoslav citizen. He is a Montenegrin by nationality.

He graduated from the Belgrade Economic School, and received a master's degree in monetary economics at Belgrade University.

Among other things, he has been a member of the Executive Council of the Montenegrin Socialist Republic's Assembly and a republic secretary of information, vice president of the Montenegrin Chamber of Economy, governor of the National Bank of Montenegro, deputy prime minister of the Socialist Republic of Montenegro, and deputy federal secretary of finance.

He was a deputy governor for Yugoslavia at the International Bank for Reconstruction and Development, and head of several Yugoslav delegations on international finance and banking issues.

He is the author of two books and several studies and articles in Yugoslav and foreign journals and publications with topics in the areas of credit and foreign exchange.

He is the chief and managing editor of the Yugoslav journal FINANSIJE.

He has been decorated with the Yugoslav Order of Labor with a gold wreath. He speaks French, and corresponds in English and Russian.

He is now the governor of the National Bank of Yugoslavia.

Biography of Radonja Minic

Radonja Minic was born on 12 May 1946 in the village of Skpacno in the Niksic municipality. He is a Montenegrin by nationality.

He graduated from the Technical School's metallurgical department, and has a master's degree in technical sciences.

After 1964 he worked as a technician at the Electric Steel Mill; a shift foreman for casting steel at the steel mill until 1966; a shift foreman for the production of steel in electric arc furnaces at the Boris Kidric Ironworks' steel mill until 1974; and an inspector of the steel production and casting process at the steelworks. After 1976 he was a production engineer for steel production; an independent production engineer for steel production until 1981; and a managing engineer for the production and primary processing of steel until 1988. Since 1989 he has had the job of chief production engineer for steel production.

He has been a member of the Titograd Metallurgical School's council; a delegate in the Montenegrin Socialist Republic Assembly and chairman of the committee for socioeconomic relations and the political system in the Montenegrin Assembly's Council of Associated Labor, and a member of the Montenegrin Socialist Republic's Social Information System Council.

He is now a member of the secretariat and main committee of the Democratic Party of Socialists of Montenegro, and a deputy in the Niksic municipal assembly.

Defense Minister Bulatovic on Proposed Laws

93BA1253A Belgrade BORBA in Serbo-Croatian 7 Jul 93 p 9

[Article by Borislav Selesa: "The FRY President and the Supreme Council Are in Command"]

[Text] Belgrade—The kind of improvisation and anarchy reigning with respect to the Army of Yugoslavia [VJ] is best illustrated by the fact that officially the old Law on Defense created in the former SFRY and in accordance with the 1974 constitution is still in effect, as one could hear yesterday at a press conference convened by Federal Defense Minister Pavle Bulatovic at the Federation Palace in Belgrade in connection with the establishment of a proposed Law on the Army and a proposed Law on Defense. In addition to the now already completely inadequate old law, the sphere of the relationships of the state, society, and the Army has also been regulated by another six laws, likewise adopted during the period before the secession of Slovenia, Croatia, Macedonia, and Bosnia-Herzegovina.

The federal defense minister, who was assisted by Major General Milovan Terzic and Colonels Miodrag Starcevic and Milos Kosic, explained that the new proposed laws respected the "Zabljak" constitution, according to which command is under the exclusive jurisdiction of the president of the Republic of Yugoslavia, who exercises it in consultation with the Supreme Defense Council, which includes the two republic presidents in addition to the federal one.

The press conference was arranged as a certain form of familiarizing the public before the Federal Assembly meeting (on 16 and 17 July) at which the deputies will decide whether the new provisions of the proposed laws on the army and defense are appropriate for Serbian-Montenegrin Yugoslavia. The Federal Assembly already has the texts of these laws, and they contain several innovations, most of which have already been proven in practice on the basis of regulations and agreements that do not have the force of law.

As Minister Bulatovic explained, the laws provide that within a period of six months the republic Defense Ministries will be eliminated, and their jurisdictions will be transferred to the Federal Ministry. In other words, Serbian Defense Minister Marko Negovanovic will look for another job, and Milo Djukanovic, who has the dual function of Montenegrin prime minister and defense minister in that republic, will remain in one job.

"The law does not prescribe a military obligation according to a national criterion, and thus the obligation to perform military service applies to all citizens of the Federal Republic of Yugoslavia [FRY]," Colonel Starcevic replied to a question about how it was possible that almost all Albanian recruits are evading service in the VJ, whereas mandatory service applies to all other citizens.

In response to a question/comment stating that the Montenegrin Assembly had adopted a decision that it was the only one with jurisdiction over mobilization on its territory, Pavle Bulatovic assessed it as a decision that was possible because laws regulating this area did not exist. After the adoption of the proposed laws, mobilization will be carried out (if necessary, clearly) throughout the entire territory of Yugoslavia in accordance with uniform rules.

Officers who transferred to Serbia or Montenegro with the old JNA [Yugoslav People's Army] and thus remained VJ members, but are not citizens of Yugoslavia, can settle the citizenship issue within a period of six months, thanks to a transitional provision in the law. If they do not do so, their service in the VJ will cease.

Minister Bulatovic thinks that there is no danger at all of a conflict of jurisdictions, or even a possibility of an aggravation of relations between the numerous police (estimated to have about 70,000 people armed) and the VJ (which is approximately twice as large as the police, with about 140,000 soldiers). As far as the Yugoslavs who fled from military service are concerned, their treatment is not specified by the above-mentioned laws but rather by others that deal with the criminal-law regulation of this problem. Those who went abroad did so with the approval of a competent body, and their responsibility to the VJ will be considered in coordination with Yugoslavia's consular and diplomatic representations on a case-by-case basis.

[Box, p 9]

Religion and the Barracks

"Religious membership does not affect the performance of military service, unless a recruit wants to serve without weapons for those religious reasons. If it is served without weapons, the period of service is twice as long—24 months. While in the Army, no one will be given special conditions for performing religious rites, but no one will be prohibited from engaging in religious activity as he sees fit in his free time," Colonel Dr. Miodrag Starcevic explained the proposed Law on the Army's attitude toward religion.

"There is no particular legal obligation for the proposed Law on the Army and the Law on Defense to be given to individual parties for consideration. It is quite clear that party representatives can express everything that they think about those laws in the republic parliaments and in the federal parliament, and that particularly applies to the ruling parties," Yugoslav Defense Minister Pavle Bulatovic answered a question about whether parties had been sufficiently involved in discussing the proposed new laws.

[Box, p 9]

Recruits at Age 21?

After several comments from various military circles that 18 years is not enough for soldiers being sent to perform military service, the federal government has proposed a new age limit, so that a recruit should not be less than 19 years old when he leaves for the VJ. Young men will be able to postpone military service up until age 27. It has been provided that after secondary school, a postponement of military service for a year will only be given for individual schools at which natural sciences are studied.

Although these proposals are being presented as official, changes are still possible. That particularly applies to the minimum age limit for a soldier, since on 5 July the Supreme Defense Council, which consists of Yugoslav President Zoran Lilic and Serbian and Montenegrin Presidents Slobodan Milosevic and Momir Bulatovic, proposed that young men join the Army when they are 21.

So that the VJ would not be left without a considerable part of its recruit contingent from Serbia and Montenegro because of the new service method, it is provided that the transition to the new recruitment method will be done within a period of five years, i.e., gradually.

Serbia

Seselj Urges Serbs To Attack UNPROFOR Troops

LD0508161293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1406 GMT 5 Aug 93

[Text] Belgrade, 5 Aug (TANJUG)—Vojislav Seselj, the president of the Serbian Radical Party [SRS], said today that the U.S. threat to bomb Serbian positions around Sarajevo shows that Washington's interest is not in a peace agreement in Geneva but in the prolongation of the war for as long as possible.

According to Seselj, Serbs must be prepared to respond to the attacks.

"If we cannot respond by attacking targets in the United States then we should attack UNPROFOR [UN Protection Force] troops as well as Muslims and Croats wherever they are within the reach of our weapons. We will not be able to down many planes but UNPROFOR cannot escape from us," Seselj said.

He stressed that a Western military intervention would be "an ideal opportunity for Sarajevo to be finally liberated."

Seselj believes that the U.S. objective is to drive all the political and military factors in the Balkans to complete exhaustion in order to impose control over them and then reintegrate Yugoslavia as an unstable state. The SRS president welcomed the visible progress achieved at the Geneva talks and asserted that it has become accepted at the international level that Bosnia-Herzegovina cannot exist as a unitary state. Seselj declared himself against a union as a proposed solution for Bosnia-Herzegovina, but stressed that this nevertheless represents a step forward, considering the present situation.

"Such a union never existed. This solution smacks of a confederation, and confederations have always been short-lived," he pointed out. He added that the SRS insists that the boundaries between the three national communities in Bosnia be established along the present front lines.

The SRS leader repeated his accusations against Goran Hadzic, the president of the republic of Serbian Krajina [RSK], claiming that he was involved in shady dealings with former minister Sava Vlajkovic. "The SRS is not at loggerheads with the Serb Democratic Party, but with Hadzic," Seselj said. He dismissed as fabrications claims that Rade Leskovac, the leader of the Radicals in the RSK, had in the past given contributions to the Croatian Democratic Union.

U.S. Threats Reportedly Unite Opposition

LD0508204693 Belgrade TANJUG in English 2006 GMT 5 Aug 93

[By Sasa Nikolic]

[Text] Belgrade, August 5 (TANJUG)—U.S. threats to bomb Bosnian Serb positions have after a long time united the opposition parties in Serbia.

Big differences the parties had with regard to the Vance/Owen plan and the proposal by Serbian Renewal Movement (SPO) leader Vuk Draskovic about an international protectorate over Bosnia-Herzegovina seem overcome following the latest U.S. threats to carry out air strikes on Bosnian Serb forces around Sarajevo.

The unanimous assessment is that such a threat comes at a wrong time, at a time when it seems that the peace agreement in Geneva is at hand, as well as that this could prolong the war.

One of the largest opposition parties in Serbia, the SPO, Vice-President Slobodan Rakitic believes bombing of Serb targets in Bosnia to be absurd, among other things also because before the war Sarajevo had in the former Yugoslavia the second largest Serb population, immediately after Belgrade.

He also fears that such a threat would result in interruption of the Geneva talks.

President of the Democratic Party of Serbia, another large opposition party in Serbia, Vojislav Kostunica, described the U.S. threats "as the main obstacle in the way of successfully concluding the Geneva talks."

In his view, should a NATO military intervention come about the talks would be undermined for a long period of time, and the Western powers would have become participants in the Bosnian war.

Leader of the Democratic Party Dragoljub Micunovic assessed that a Western military action would be an "exceptionally dangerous adventure with wrong timing" which would openly lead away from a lasting peace solution. He notes that the U.S. Administration's motives are "unclear."

The Social Democratic Party (Center) believes that the U.S. Administration threats would encourage opponents of peace, while the Serbian National Renewal (SNO) party simply thinks the U.S. reaction is a "mistake." Serbian Radical Party (SRS) leader Vojislav Seselj believes that Washington is in this way demonstrating that reaching a peace settlement in Geneva is not in U.S. interest, and that it wants the war in Bosnia to continue.

The parties have for the main part refrained from interpreting the reasons for the U.S. threat, except that the SNO assessed that Washington is doing all this "with a view to justifying itself before the oil-rich countries following Israeli aggression on Lebanon," while Seselj explains this with the U.S. wish to weaken the political and military factors in the Balkans, so an unstable Yugoslavia could be re-integrated.

The statements of opposition leaders also bear increasingly fewer differences in describing the domestic economic and social situation, and in keeping with this, criticism of the ruling Socialist Party of Serbia.

Just how will this new formally non-proclaimed opposition unanimity influence the domestic political scene in Serbia this autumn remains to be seen at the first session of the parliament.

Minister Warns Against Spread of Conflict to Kosovo

AU0508123693 Paris AFP in English 1120 GMT 5 Aug 93

[Text] Paris, Aug 5 (AFP)—Serbian Information Minister Milovoje Pavlovic warned Thursday against encouraging separatism in the Albanian-dominated Serbian province of Kosovo, saying it would have a "boomerang effect" on the rest of Europe.

In an interview with the daily Quotidien de Paris, Pavlovic said that "any extension of hostilities to other parts of ex-Yugoslavia, Macedonia or another part of Serbia, such as Kosovo, must be prevented."

Accusing Albania of supporting the separatist aspirations of Albanians in the south Serbian province, where they form a 90 percent majority, he warned that "no country would accept this, and certainly not Serbia and (the rump state of) Yugoslavia."

Pavlovic said it was "in the interests of even the Albanians of Kosovo to give up this illusion as quickly as possible," and it was in the common interests of Serbia and Europe "to tell the Albanians where minority rights lead."

On Macedonia, Pavlovic said it was already an independent state and it was not up to Serbia to help it solve its problems of recognition and its name, which is contested by Greece. "We have no claim on this part of Yugoslavia."

He said the Moslems in Bosnia-Herzegovina "are in danger of losing everything" because of their insistance on a single Bosnia.

"Europe and the world has understood that it is impossible to impose solutions and that the Serbs of Bosnia, like the Croats, will never agree to live in a single state led by Moslems."

Montenegro

Bulatovic Comments on Geneva Negotiations

LD0508120293 Belgrade TANJUG in English 1058 GMT 5 Aug 93

[Text] Podgorica, August 5 (TANJUG)—President of the Yugoslav Republic of Montenegro Momir Bulatovic has said that documents for a settlement of the crisis in the former Republic of Bosnia-Herzegovina have to a large extent been finalized in Geneva, but that many things still burden the negotiating process.

"First of all, this is a question of undefined position of the so called Presidency of former Bosnia-Herzegovina, in fact undefined position of the Moslem side, but the situation in Bosnia-Herzegovina is also objectively difficult," President Bulatovic told reporters on arrival from Geneva late Wednesday night.

Bulatovic, President of the Yugoslav Republic of Serbia Slobodan Milosevic and President of Croatia Franjo Tudjman left for Geneva on Tuesday at the invitation from Co-chairmen of the Conference on the Former Yugoslavia Lord Owen and Thorvald Stoltenberg to help overcome a standstill in negotiations.

The negotiations were blocked by Bosnian Moslem leader Alija Izetbegovic, who was refusing during the past three days to continue taking part in negotiations.

Bulatovic also said that the negotiating process in Geneva was jeopardized by reports on armed clashes between Bosnian Moslems and Croats and by "incomprehensible military adventures of a section of the Serb republic's army."

He praised great efforts of the two co-chairmen and "marked participation" of American envoy Reginald Bartholomew and Russian envoy Vitaliy Churkin.

Kosovo

Council Condemns Police Campaign of 'Arrests, Torture'

AU0508183393 Tirana Radio Tirana Network in Albanian 1330 GMT 5 Aug 93

[Text] The Serbian police in Kosovo have recently embarked on a major campaign of violence and arrests. In a public communique issued today, the Prishtina-based Council for the Defense of Human Rights and Freedoms stresses that Albanians of all classes are victims. As usual, the campaign is, however, being directed mainly against youngsters and intellectuals. Its aim is to create insecurity among the people, something which is reflected in various ways, but especially in the increasing exodus of Albanians from Kosovo, which is the aim of the Serbian authorities.

The communique further states that the campaign of arrests has recently become even more widespread. Those arrested have been subjected to brutal torture, typical of the special treatment of the Serbian police towards Albanians.